VRA EXTENSION AND INCREASES IN THE GI BILL RATES

HEARING

BEFORE THE

SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

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VRA EXTENSION AND INCREASES IN THE GI BILL RATES

THURSDAY, SEPTEMBER 29, 1983

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:30 a.m., in room 334, Cannon House Office Building, Hon. Marvin Leath (chairman of the subcommittee) presiding.

Present: Representatives Leath, Montgomery (ex officio), Evans, Slattery, Richardson, and Solomon.

OPENING STATEMENT OF CHAIRMAN LEATH

Mr. LEATH. The Subcommittee on Education, Training, and Employment will come to order. I welcome all of you here today.

Our purpose is to review two programs which have been crucial to the successful readjustment of millions of Vietnam era veterans. The first program is the Veterans Readjustment Appointment Act, or VRA, as we refer to it. A VRA appointment is a noncompetitive appointment to a Federal civilian job which leads to competitive status and career or career-conditional tenure upon satisfactory completion of 2 years of service and education or training.

The VRA program was established by Executive Order 11521 in April 1970, to provide a means by which the Federal Government might do its share to help in the readjustment of thousands of veterans returning from Southeast Asia. Many of these veterans lacked the skills and advanced education needed to compete in a tight labor market.

The VRA authority program was specifically designed to assist educationally disadvantaged veterans by providing employment, combined with the training and education necessary to enable them to assume productive roles in society.

The VRA program has accomplished its objective of increasing skills of thousands of veterans and helping to make them valuable employees of the Federal Government and productive citizens.

A provision of Public Law 97-72, the Veterans' Health Care, Training, and Small Business Loan Act of 1981, extended the period of eligibility for VRA authority until September 30, 1984.

The VRA program has been in effect for more than 13 years. Should it be continued and, if so, should it be changed in any way to make it more effective? After receiving testimony and recom-

mendations today, we will review the VRA program to determine if another extension should be considered and we will evaluate any recommendations for changes in the program.

The second program under consideration today is the GI bill. There were approximately 9.3 million Vietnam veterans eligible for this program. More than 6.5 million, or 69.6 percent of those eligible, have received training. There are a large number who are still eligible for GI bill assistance which is not scheduled to terminate until December 31, 1989.

We have requested a number of witnesses to provide the committee information regarding the adequacy of the current level of educational payments made under the Vietnam era GI bill. GI bill benefits were last increased by Public Law 96–466, which provided a two-step increase, 5 percent effective on October 1, 1980, and another 5 percent effective on January 1, 1981. In the 3 years since the last rate increase, the costs of education have soared and some Federal educational assistance programs have been reduced. In view of this, the committee looks forward to obtaining information which will assist the committee to determine if legislation to provide a rate increase in fiscal year 1985 is necessary and, if so, what amount would be appropriate, given the current budget restrictions.

Before we ask our first witness to come up, I will recognize my dear friend from New York, Mr. Solomon, for any comments he might have.

STATEMENT OF HON. GERALD B. H. SOLOMON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. SOLOMON. Thank you, Mr. Chairman.

Mr. Chairman, I have been on the Veterans' Affairs Committee for many years, but this is my first year as the ranking Republican under your leadership on the Education, Training, and Employment Subcommittee. I have long pointed with pride at the Veterans' Readjustment Appointment program and the Veterans' Administration's educational programs. These are undoubtedly two of the most valuable and important programs available to our Nation's veterans today.

As my distinguished chairman has indicated, we will today be receiving testimony to assist us in evaluating these programs and to help us determine what legislative action is required to extend or improve these two programs.

I certainly look forward to hearing these progress reports and recommendations, and I join with our chairman and my other colleagues on the subcommittee to take whatever steps are deemed appropriate to act wisely with respect to these programs.

Thank you, Mr. Chairman.

Mr. LEATH. Thank you, Gerry.

Mr. LEATH. Our first witness today was to be Dr. Donald J. Devine, Director of OPM. Dr. Devine hasn't made it yet, so I guess—I know Dorothy is here. She is always here. So we will just start with you, Miss Starbuck, of course, our good friend and Chief Benefits Director of the VA, accompanied by her very able staff.

STATEMENT OF DOROTHY STARBUCK, CHIEF BENEFITS DIRECTOR, VETERANS' ADMINISTRATION, ACCOMPANIED BY JOHN COGHLAN, PERSONNEL ASSISTANCE STAFF DIRECTOR; CHARLES L. DOLLARHIDE, DIRECTOR, EDUCATION SERVICE; DR. STEPHEN L. LEMONS, DIRECTOR, VOCATIONAL REHABILITATION AND COUNSELING SERVICE; AND JAMES P. KANE, ASSISTANT GENERAL COUNSEL

Miss STARBUCK. Good morning, Mr. Chairman.

Mr. LEATH. Good morning to you, Dorothy.

Miss STARBUCK. On my far left is Mr. John Coghlan, who is the Director of Personnel Assistance in the Department of Veterans' Benefits; Mr. Lew Dollarhide, the Director of the Education Service; Dr. Stephen Lemons, Director of Vocational Rehabilitation and Education; and Mr. Jim Kane from the Office of General Counsel.

Mr. LEATH. We welcome all of you. You know how to proceed, Miss Starbuck, so you may go ahead.

Miss STARBUCK. Thank you, Mr. Chairman.

I am very pleased to appear before you today to provide you with the views of the Veterans' Administration on benefit rate increases for our vocational rehabilitation and education programs, and on extension of the veterans' readjustment appointments authority.

The VA wholeheartedly supports the career advancement of veterans and we are very mindful of the added financial burdens that are incurred as they pursue training. In this regard, it is important to keep in mind that GI bill benefits are not automatically raised each year. The last time, as you mentioned, these benefits were increased was the two-step 10-percent boost in 1980 and 1981. This was necessary because the allocation for entitlement programs under the congressional budget for fiscal year 1981 did not make provision for the cost of allowing the full 10 percent to become effective on October 1, as was customary.

Figures which have been published by the National Center for Education Statistics of the Department of Education disclose that there has been an acceleration in the overall cost of education in recent years. These data show that the total cost of tuition, board, and room for all public schools rose by 33.3 percent from 1981 through 1983–84 school years, and these same costs increased by 37.9 percent at all private schools during the same period.

These figures are substantiated by similar statistics published by the American Council on Education and the college boards. Forecasts made recently by the educational community indicate there will be another 8 percent increase in these costs by the next school year.

I would emphasize that these statistics relate only to the cost of tuition, fees, room, and board. We do not have similar statistics for other educational costs such as books, supplies, and equipment which the veteran must, of course, pay. We can only assume that these costs increased at a like rate.

This demonstrates clearly that all costs of education have risen and very likely will continue to rise. I can assure the committee that this matter is receiving very serious consideration in the budget process for fiscal year 1985.

It should be emphasized, of course, that any increase in educational rates must be evaluated in light of the budgetary constraints under which we are operating, as well as the fiscal needs of our veterans and beneficiaries in other benefit programs.

Mr. Chairman, you also asked that we provide you our views on the extension of the veterans readjustment appointments in civil service for Vietnam era and disabled veterans.

We strongly support such an extension. This has been most beneficial to the VA in filling staffing needs and has led to the permanent employment of many disabled and Vietnam era veterans who, once provided the opportunity, have proven to be high-quality employees.

Moreover, the VA has been one of the leading users of this authority and we are proud of having made over one-third of all appointments since the program's inception.

Our use of veterans readjustment appointments has also helped us to meet affirmative action goals. For example, as of a year ago, almost 50 percent of our veterans readjustment appointees were from minority groups. The extension of this authority would, if enacted, allow the VA and other Federal agencies to reach many more Vietnam era and disabled veterans who need only the opportunity to prove their ability to overcome employment barriers which remain even years after the conclusion of the Vietnam era. The continuing unemployment of many Vietnam era veterans demonstrates the need for continuation of this program.

The unemployment rate for male Vietnam era veterans in August of 1983 was 1.5 percent higher than the rate for all male veterans.

Extending the authority for readjustment appointments is an essentially cost-free method of aiding veterans in completing their readjustment. It is expected that the extension of this authority would have no budgetary impact on the Veterans' Administration or any other Federal agency.

Mr. Chairman, this completes my presentation, and we will be very pleased to answer any questions you or the members may have.

[The statement of Dorothy Starbuck appears at p. 27.]

Mr. LEATH. Thank you, Miss Starbuck.

Has there been any noticeable impact of reduced Federal student aid programs on veteran students that has come to your attention in the last——

Miss STARBUCK. Well, as you know, Mr. Chairman, the Veterans' Administration has, for all intents and purposes, very stringently limited the education loan program. We have taken that action because of the very high default rate that was occurring in that program.

We feel that if an increase of whatever magnitude comes about it would make it easier for some of our veterans to reenter an educational institution. But for the most part, the assistance that is provided is acceptable to the veterans and has permitted them to pursue their educational objectives.

Mr. LEATH. Have we improved any on the collection of the loans?

Miss STARBUCK. No, sir, not as yet, though we are pursuing that by referral of these defaulted contracts to our district counsels for pursuit through legal means.

Mr. LEATH. Do you have any idea of how many we have that are currently in default—not dollarwise, but just individuals?

Miss STARBUCK. Our default rate right at the moment, sir, unfortunately is at about 74 percent. I have some figures on that.

The number of loans that have matured on a cumulative basis since the beginning of the program is 72,513, and unfortunately, of those, 54,559 are in default.

Mr. LEATH. How many veterans are currently enrolled under the Vietnam era GI bill, and of those taking courses in higher education, would we have a percentage breakdown on the number who are in private schools and the number that would be in public schools?

Miss STARBUCK. Let me check my index system here.

Mr. LEATH. You can provide that for the record, Dorothy, if you can't find it.

Miss STARBUCK. I have it here. In fiscal year 1982 we had literally in excess of 900,000 persons in training, and of those, the greater portion were attending institutions of higher learning.

Mr. LEATH. If you would give us a breakdown, if you don't have it there, for the record, of the percentage in private schools as opposed to public schools.

Miss STARBUCK. We will do that for you, sir.

[Subsequently the VA furnished the following information:]

As of April, 1983, 83 percent of GI Bill trainees in college training were enrolled in public schools, while 17 percent were enrolled in private schools.

Mr. LEATH. You stated in your testimony that an increase in the rates is being given serious consideration in the budget process for fiscal 1985. In your opinion, and keeping in mind, of course, the current fiscal restraints that we're all operating under, would you be able at this point to project what would be a reasonable percentage of increase perhaps for us to consider?

Miss STARBUCK. With the increases that have taken place in the cost of education, and the buying power of the dollar that is now being paid to the veteran, compared from 1980 to 1983, it would be our judgment and what we have computed as a reasonable approach on this would be somewhere between 14 and 16 percent.

Mr. LEATH. Regarding the VRA program and noncompetitive employment of 30 percent or more of disabled veterans, the VA, as you quite accurately pointed out, has a fine and outstanding record in both programs, and we certainly want to commend you highly for that because you have done an excellent job.

I am, however, somewhat troubled by one statistic provided in the testimony of OPM that relates to the nature of separations of VRA employees on board as of December 31, 1978 and tracked through December 31, 1981. The voluntary separation rate of VRA employees at the VA was 31.1 percent, significantly higher than that of any other agency. The average rate was 18.8 percent.

Could you give us any idea why this voluntary separation rate was so high?

Miss STARBUCK. I don't know that we have a track on why the separations took place, but it could be that the veteran is taking positions in the Veterans' Administration and that the majority of our VRA appointees are in positions of housekeeping aids in our hospitals, nursing assistants, food service workers, and at clerical levels in both the hospitals and the regional offices. It would be my feeling that this is perhaps the entry of the veteran at this level and that hopefully, with a start, he is able to move away from his initial assignment in the VRA into something that is more meaningful to him monetarily. We don't really have a track on reasons for leaving the employment.

Mr. LEATH. If you could, it may not be possible, but if you could, would you play with that a little bit and see if you could maybe at some point for the record provide us with some statistics on that?

Miss STARBUCK. Yes, Mr. Chairman.

[The Veterans' Administration subsequently provided the following information:]

In Fiscal Years 1979 through 1981 the VA hired 20,000 veterans under the Veterans Readjustment Appointment (VRA) authority. Office of Personnel Management records for the period show that approximately 70 percent of these veterans were converted to career-conditional appointments. Of those who left the Agency, about 90 percent voluntarily resigned. We do not have documentation immediately available on the reasons for their resignation, but suggest the following explanations for some of those losses:

The types of jobs, e.g., Food Service Workers, Housekeeping Aids, Nursing Assistants, etc., for which these veterans are hired tend to have a high turnover rate;

Some veterans may use this type of appointment as a stop-gap measure while seeking other kinds of employment or simply consider the appointment as a temporary one while continuing their education; and

Upon completion of their education, some veterans may pursue other employment avenues.

To provide statistics on voluntary separations would require an extensive, time consuming review at each individual medical center and regional office of existing interview records. This would require the utilization of staff which already is deeply involved in our day-to-day operations. This work could be performed if the Subcommittee so desires, but we do not know whether this would enhance to any large extent the information already available.

Mr. LEATH. One final question from me. Would you give us an update, if you could, on the implementation of Public Law 98-77, the Emergency Vietnam Veterans Job Training Act of 1983?

Miss STARBUCK. We have worked very closely with the Department of Labor on this and have developed a joint training package or training packages which are compatible, one with the other, and have concluded as of today two joint training sessions between Veterans' Administration employees in the Veterans Assistance Service and State directors of labor. The first meeting was held here in Washington and was attended by Mr. Bill Plowden and John Hagan, who spoke for each of the respective agencies on the importance of this effort, and either Mr. Shasteen or Mr. Plowden appeared in Kansas City yesterday at a meeting, and the third and final training session will take place in Reno.

The Office of Management and Budget has cleared all of the forms that require completion by veterans or employers. Those are in the print process and will be distributed to our regional offices and to all of the employment offices throughout the country. We really feel that we are administratively in a position to begin the

implementation of this legislation as soon as the funds are available, and we expect that to be very early in the October period, sir.

Mr. LEATH. Very good. Thank you.

Mr. Solomon?

Mr. SOLOMON. Mr. Chairman, you have covered most of my questions.

But, Dorothy, if you could just elaborate a little further on just how large an increase is being considered for VA educational rates. I know that is difficult, but can you at least give us a ballpark figure or, barring that, a candid assessment of what you personally think is called for?

Miss STARBUCK. Well, we have taken a look at not only the statistics which I cited in my testimony, but we looked at some statistics that the other personnel have put out. It indicates that what we are dealing with is an increase in cost in the cost of education itself that ranges above 30 percent. It is anticipated that this will go further, and I think anyone who has children or youngsters in college knows this.

The private education institutions, of course, have increased at a greater rate than those of the public, and I think, looking at the buying power of the 1981 dollar in today's market, it is as important a consideration. We are, I think, ready to approach a suggestion that we go for a 15 percent increase. But, of course, that has to be merged with a lot of other demands in the benefit programs. But that is generally the approach that we would feel justified in making.

Mr. SOLOMON. So you think a 15-percent increase, in that area, would suffice?

Miss STARBUCK. Yes, we do. It would be a justifiable and supportable figure.

Mr. SOLOMON. Incidentally, I have three in college and two in private colleges, so I can sympathize with what you're saying.

I don't have any further questions.

Mr. LEATH. Mr. Evans.

Mr. EVANS. No questions, Mr. Chairman.

Mr. LEATH. Mr. Slattery?

Mr. SLATTERY. No questions.

Mr. LEATH. Well, I think that's it, Miss Starbuck. We appreciate your usual diligence.

Miss STARBUCK. Thank you very much, Mr. Chairman.

Mr. LEATH. Dr. Devine, I think we saw you come in back there, so we welcome you again to the subcommittee. As we have already indicated by citing some of your testimony, we have read it, but we would be glad for you to summarize it or proceed in any manner you would like to, Don.

STATEMENT OF DR. DONALD J. DEVINE, DIRECTOR, U.S. OFFICE OF PERSONNEL MANAGEMENT

Dr. DEVINE. Thank you very much, Mr. Chairman. It is a pleasure to be here. I apologize for being a little late, but you have a unique situation, in that, of the committees of Congress that I see, you always start on time, and I would like to congratulate you for that.

I am pleased to come before you today to give our views in support of legislation which would authorize extension of the Veterans Readjustment Appointment program through September 30, 1987.

The VRA program has been a great success in providing employment for those Vietnam era veterans who need help the most. The VRA authority provides improved employment opportunities for Vietnam era veterans. It allows agencies to hire those veterans without competition on civil service examinations and subsequently to convert them to career or career-conditional appointments after 2 years of satisfactory employment and training.

The hiring results are impressive. Since the program was established by President Nixon in 1970, VRA's have provided employment opportunities for more than 200,000 Vietnam era veterans. Over the past 5 fiscal years minorities have received an average of 38 percent and women 9 percent of the total veterans readjustment appointments. I am submitting data attached to my testimony showing VRA hires made by agencies in fiscal year 1982.[1] The most recent data show a total of 7,200 VRA's made in the first half of fiscal 1983. Of these, approximately 35 percent were minorities and 8 percent women.

The VRA program is a voluntary one. The VRA authority competes for its use with other vital public policy goals and measures. There are no added costs associated with the program. No new positions are created. The appointments are counted against agencies' personnel ceilings.

OPM has taken significant actions to encourage greater participation by Federal agencies in the VRA program. These actions include: Providing technical assistance and advice to agencies, monitoring and evaluating the program by our regional offices, publicizing the program through Federal executive boards and interagency advisory group committee meetings, dispensing helpful job information to veterans through our network of Federal job information centers, participating in winter and national conventions of veterans groups, addressing Federal employment forums in Newark, Denver and Seattle by the Veterans Employment Division central office staff, emphasizing our policy guidance and increasing our cooperation with the Veterans' Administration and the Department of Labor.

In addition, we have successfully launched a new training course, "Veterans Employment Programs: A Workshop," a 1-day course designed for Government employees with the responsibility for veterans employment programs. A major component of this course covers the policies and procedures of the VRA program and how agencies can use the VRA authority more effectively. Agency participant comments have been highly favorable in the five sessions held to date.

Today the Federal Government as an employer maintains an obligation to lead the way to reduce the high unemployment that still exists among certain Vietnam era veterans. The Department of Labor reported that there were 663,000 unemployed Vietnam era veterans in July 1983. In addition, Vietnam era veterans age 25 to 39 years continue to have greater unemployment than nonveter-

[1] See p. 30.

ans. The second quarter of 1983 average rate of unemployment for Vietnam era veterans age 25 to 39 years was 9.8 percent compared to 9.5 percent for nonveterans. The second quarter 1983 average rate of unemployment for black Vietnam era veterans age 25 to 39 was 20.9 percent, compared to white Vietnam era veterans of the same age category of 8.4 percent.

The most effective action the Federal Government as an employer can take to reduce this high rate of unemployment among Vietnam era veterans is to extend the successful Veterans Readjustment Appointment program. I supported the 3-year VRA extension which President Reagan signed into law over 2 years ago, and I now support enactment of legislation to extend the program through September 30, 1987.

I also urge, however, several improvements be made in the VRA program to make it more fair and effective. First, we think the maximum grade level for appointment should be raised from GS-7 to GS-9. This action will enhance the effectiveness of the program because agencies will have increased flexibility to make employment decisions. It recognizes that some Vietnam era veterans have obtained the necessary experience and education to qualify for a higher grade.

Second, we believe the 14-year education limit for nondisabled Vietnam era veterans should be waived altogether. It is an artificial limit which discourages improving skills through education. It is the case that Vietnam era veterans are taking advantage of higher education. It appears that an increasing number of veterans have gone back to school because they do not want to lose their GI educational benefits and, given the tight job market, these veterans have opted for school in lieu of unemployment. To now deny them employment because they elected to enhance their education is to defeat the main purpose of the VRA program, which is to provide long-term employment opportunities to Vietnam era veterans.

Our third recommendation calls for the elimination of the semiannual VRA program report. I would like to emphasize that this proposal in no way would lessen OPM's clear responsibility to monitor and evaluate agency use of the VRA program. We would continue to issue an annual report on veterans employment programs in the Federal Government covering initiatives, policies, and programs as required by title 38. This report would include coverage of the VRA program. But we do think this is an unnecessary report and that we could keep Congress well informed without having to go through this extra paper exercise.

So we very strongly support extension of the VRA program and would suggest those three changes to the program to allow even more opportunities.

I would be very happy to answer any questions that you or other members of the committee may have.

[The statement of Dr. Donald J. Devine appears at p. 28.]

Mr. LEATH. Thank you, Dr. Devine. We finally got Chairman Montgomery to stop having these meetings at 8 a.m., but he still does insist that we start on time.

The committee has received some complaints from VRA employees that the training being provided was not satisfactory and would not assist them in advancement beyond their entry level positions.

In general, does the veteran employee have significant input when his or her training program is being designed, and does the training allow for any advancement at the end of the initial 2-year period?

Dr. DEVINE. To answer the question about the opportunities to be involved in it, our guidance from OPM requires that agencies prepare an education and training plan in writing which should be discussed with the individual employee. That plan should specify the activities the veterans will undertake, the name, addresses, and telephone numbers of agency officials who can provide job-related counseling, the address and telephone number of the nearest VA facility where the veteran can obtain educational-vocational counseling, and that the veteran's conversion to career or career-conditional is subject to the satisfactory completion of the training plan and service.

To answer the other part of your question, there is a requirement that training in the Government—and this is for training generally—be job related. There has been some misunderstanding among some veterans as to what the training can do under civil service regulations. Our requirement is that it must be job-related. That is one of the reasons why we do refer them to other opportunities for getting promotion opportunities. But we need, in the Government, some job-relatedness rule for training. We have many problems with training as it is. I think if we remove that job-relatedness requirement, there would be a lot of training in the Government that we couldn't justify.

It doesn't mean that veterans can't upgrade their skills. They can. But it must be job-related if it is done as direct, on-the-job training, and away from the agency training paid directly by the Government. But there are also opportunities through the VA and other programs where they can upgrade their skills as well as use their educational benefits generally.

So I think there is a necessity to separate on-the-job training directly job related from other training opportunities, and I think that that has resulted in some misunderstanding as to what can be done under one authority as opposed to another authority.

Mr. LEATH. Have most of the agencies, as far as you know, complied with issuing these directives and so forth, as to how this—

Dr. DEVINE. Yes, sir. We have a monitoring operation. Of course, it is a very large Government and we are basically dealing with samples. But as far as we can tell, it is generally done throughout the Government.

Mr. LEATH. You state in your testimony that the main purpose of the VRA program is to provide long-term employment opportunities to Vietnam era veterans. Of course, I certainly agree with this. But I think the intent of the program has been to target educationally-disadvantaged and disabled veterans.

Would eliminating the 14-year education limit for nondisabled veterans significantly change the emphasis of the program in any way?

Dr. DEVINE. Limiting the educational requirement, would it change the emphasis? I think it would change the emphasis somewhat. To allow people with higher level skills to get in, we would

hope to maintain its emphasis on providing the opportunities for the most needy.

I recognize the problem that you raise. On the other hand, it's a competing problem that I mentioned in my testimony. When veterans have shown the initiative to upgrade their own skills and education, it seems unfair to penalize them for upgrading their skills. But I do recognize the problem. It may change the nature of the program more than we want, and I think it is important that we keep that in mind and not change the essential nature of the program.

Mr. LEATH. OK. I may have some more question and the staff may have some more questions that we can submit to you for the record.

Mr. Solomon is going to have to leave for another committee markup here, so I will ask him if he has any questions.

Mr. SOLOMON. Mr. Chairman, I am going to submit some questions for the record, too, to save some time here. But, Mr. Devine, representatives from the VFW will be testifying this morning that access to the Merit System Protection Board for VRA appointees is needed because of cases of summary dismissals of appointees from their Federal position.

Do you have any figures to indicate just how widespread or how common or uncommon such cases are within the VRA program, governmentwide?

Dr. DEVINE. No, I don't. I would be happy to look into that.

It is very difficult to get comprehensive statistics for the Government except those that exist in our central personnel data file and the amount of information that we can store there is limited.

[OPM subsequently supplied the following information:]

As of December 31, 1978, OPM tracted 17,941 VRA employees for a 3 year period through December 31, 1981. VRA conversions and/or continued employment totaled 79.36 percent (13,762), voluntary separations 18.76 percent (3,254), and involuntary separations 1.8 percent (325).

Dr. DEVINE. I don't think this appeals procedure problem is very large. We are reviewing all of our appeals procedures in the Govenment through an internal study at OPM. We intend to make recommendations on appeal processes, generally, including this one, and we will keep the committee advised of our progress in that area.

Mr. SOLOMON. I would appreciate it if you could furnish us any information for the record on that subject.

Mr. Chairman, I do have a Foreign Affairs meeting on the recertification of aid to El Salvador and it is important that I get there. I hate to leave this subcommittee.

Thank you very much, Dr. Devine.

Dr. DEVINE. Thank you, sir.

Mr. LEATH. Mr. Chairman, do you have any questions?

Mr. MONTGOMERY. No questions, Mr. Chairman, but I would like to welcome Dr. Devine to the subcommittee hearing. I would say, Mr. Chairman, that Dr. Devine has certainly worked with the veterans. We had some problems several months ago and he took the time to come up on the Hill to try to work these problems out. He is a friend of the veteran.

Dr. DEVINE. Thank you, Mr. Chairman. I appreciate that very much.

Mr. LEATH. Mr. Evans.

Mr. EVANS. Dr. Devine, the DAV is going to testify later about the very poor record of the Department of Health and Human Services. During the most recent reporting period, almost 5,000 people were hired by HHS, but only 10 VRA appointments were made, and only 3 of those were disabled veterans. The Department of Labor apparently had 209 appointments, with only 2 VRA appointments, none of whom were disabled veterans.

Now, we have a hope that these statistics don't reflect Mrs. Heckler's work as head of the HHS. She was an original cosponsor of the extension of this program when she sat on this subcommittee last year. So I hope that that will improve.

But the Department of Labor's record and HHS's record hasn't been all that sufficient. The Secretary of Labor has a Committee on Veterans Employment within the Department of Labor. You have held this veterans employment program 1-day workshop program. I would like to know if you can tell us who from the Department of Labor and HHS has appeared at that program. If you don't have that today, I would like to get that submitted for the committee files.

Additionally, what if anything more can your Agency, being in charge of Federal employment, do to get Labor and HHS and some of the other nonmilitary, non-VA kinds of agencies to participate in this program?

Dr. DEVINE. That's a very good question and I'm glad you raised it, because I would like to respond to it.

It is very clear that the VRA authority and veterans' appointments generally tend to be concentrated in the Defense agencies and the Veterans' Administration. I think that has two main causes. One is historically, that those agencies have grabbed a hold of this authority much more willingly and aggressively at the beginning. I think, however—and I know I can speak for Secretary Heckler and Secretary Donovan—that they are enthusiastic supporters of this program.

The reason why they haven't—and I have spoken to them about this—is quite clear. The majority of the hiring has been done in those agencies in this administration, number one, and the problems that we had, when you look at the hiring figures, they have to also be put against the number of people that have had to be separated. For example, at HHS, 7,000 jobs were abolished as they restructured to live within new program priorities. About 6,000 employees were affected by the RIF, and 3,000 were actually separated. Several whole program areas were changed in their emphasis. They had a hiring freeze through 1982 and it continues into 1983. Most of the hiring was done in specialized research areas, especially medical doctors, Ph.D's, physical scientists and so forth, where the grade levels are higher than the VRA authority figure allows. That is one of the reasons why we have asked to increase the grade level, so that we an expand into some of the more specialized areas.

Likewise, with the Department of Labor, they also conducted a major reduction-in-force in 1982, and there about 4,000 employees were RIF'd. The whole CETA program was cut back very, very sig-

nificantly. They tried to restructure and keep a lot of their hiring internal.

Actually, on paper, my own record internally at the Office of Personnel Management doesn't look especially good, but it is the same kind of thing. There are about 20 agencies, 15 agencies, that have had reductions in employment of 20 percent or better. Obviously, when you are reducing employment by those kinds of levels, you get tremendous imbalances in skills and the separations tend to take place either in specialized technical areas like typing, or in your specialty higher-graded employees.

So I think that you're right, we need a commitment to this, but I think in the cases that you mentioned there are good reasons—and you mentioned Secretary Heckler's support of this program in Congress. There are good reasons why in these particular cases we haven't been able to use the program more.

Mr. EVANS. Well, you're not saying of the 5,000 people hired, that most of those were Ph.D's and medical doctors—this is in HHS. You're not saying that the majority of those were very high grades?

Dr. DEVINE. I would suspect you would find that a very large percentage of them were over in the GS-9 area.

Mr. EVANS. Well, I appreciate your support of increasing the participation in terms of the rates that veterans can apply for, but I guess I will have to write to Mrs. Heckler to get that answer.

But I would like from your agency a list of the people from the Department of Labor and HHS that have participated in your one-day veterans employment programs. By the way, is that an ongoing kind of seminar, or is that done on a periodic basis?

Dr. DEVINE. Yes, sir.

Mr. EVANS. Is it done throughout the country? Is that how it works?

Dr. DEVINE. We are testing it out now and we expect we will go nationwide with it.

Mr. EVANS. If I could, I would like to get the list of any DOL and HHS participants in your most recent—How many of those have you had?

Dr. DEVINE. I think we have had five of them.

Mr. EVANS. Five of them. All right, thank you.

Mr. LEATH. Mr. Richardson.

Mr. RICHARDSON. Thank you, Mr. Chairman. I would like to submit a statement for the record.

[The statement of Hon. Bill Richardson appears at p. 31.]

Mr. RICHARDSON. I, too, would like to praise Dr. Devine, for his commitment to this program and for his efforts to inform other agencies throughout the Federal Government. But, quite frankly, I share my colleague's concern about the lack of results. It seems to me that in the agencies most likely would to support this program, Defense and the VA, the statistics show that the VRA program is working well. But, I am baffled by your statement that HHS Secretary Heckler and Labor Secretary Donovan are committed to the VRA program. The statistics seem to show these agencies are not actively participating in the program.

I must say, another concern of mine, Dr. Devine, is that in your own office, OPM, I understand this program is not a part of your operation; is that correct?

Dr. DEVINE. No, it is not correct, that it's not a part of our operation. We had I think over the last year or so 10 or 12 hires in the VRA program.

But again, we went through a very large reduction in the size of our employment. This administration has made a major commitment to first of all reduce the size of the non-Defense employment, and second, to do it overwhelmingly through attrition. Where attrition can't be used—of course, one of the consequences of that attrition is you do get skill imbalances and you tend to lose the specialists. But, then, if we do have to go into a reduction-in-force, we then keep a list of people who are displaced. We try to reemploy those people first.

We have had most of our rehiring of people done through people who were separated within OPM. Our commitment is first to use the people we have, so that there aren't RIF's and separations, and then, of course, it is very important for those in the VRA program, as the people are going through the program before they get their career status, they are subject to reduction-in-force before any person with career status. So our first priority in managing personnel in the Government is to retain as many people as we possibly can who are in the work force at present. That very much includes people in the VRA program who are treated similar to career-conditional employees during the period of the VRA appointment. If we didn't make sure that we used the people that we have, and use our reemployment priority lists, we would end up losing veterans disproportionately, and especially veterans in the VRA program.

When you are making changes of 20 percent reduction in employment, which was virtually unheard of in the Federal Government since World War II, that means you are making major management changes and major changes in personnel, and it does mean you are not going to be able to use outside hire authorities as much as you would in the Veterans' Administration, which is somewhat increasing its employment, and the Department of Defense, which is substantially increasing its employment.

Mr. RICHARDSON. I think we realize your limitations. I'm not questioning your commitment. I am concerned some Federal agencies are not taking this program seriously.

I have some statistics here that that total the percentage of VRA hires: in Agriculture, 0.2; Commerce, 0.9; Defense, 5.2—I think that's reasonably positive—Energy, 2.1; Health and Human Services, 0.4; Interior, 0.3; Justice, 4.4; Transportation, 0.9; Labor, 0.4. Office of Personnel Management, 2.0; International Boundary and Water Commission is 32 percent.

My point is this: Is there any way this committee can give you enough strength to convey to the bureaucracy that the Congress is serious about this program? It seems the commitment on your part may be there. But, this could be a situation where one agency in our Government supports the program, while the others don't take it seriously.

Dr. DEVINE. I think what I am going to ask my staff to do is to run a correlation—I'm an old professor of statistics—between the

percent reductions that have been made against the low levels of use of VRA. I would suspect the relationship is very high, just going through and listening to those as you read them off. They are probably exclusively, the agencies with the poorer record, are those that have had the greatest reduction-in-force.

But to answer your question directly, yes, we can always use help in this. There has been some discussion, for example, about making the VRA appointment permanent. I think that would be a mistake. I think one of the real values of having reauthorization of the VRA program on a 3-year or 2-year cycle—I don't know exactly how many years cycle it should be—is that you Members of Congress bring attention to it by dealing with this as it is reauthorized. That helps us sell the program to the Government, that forces the head of my office to come up and restate this commitment and to rethink the commitment and reinvigorate the staff. So I think Congress is very much helping that way.

We have been pushing this program since I have come in as Director, and I think we have made changes. But I just would like to get into the record that most of the agencies that I have heard you read off there have been ones that have had significant decreases in employment, and that is a much more difficult environment within which to use authority such as this.

Mr. RICHARDSON. My staff informs me that Miss Starbuck and yourself break down statistics on the number of hires in the VRA program, referring to black veterans and other minorities.

I represent a substantially Hispanic district, and the proportion of Hispanic veterans, as you know, is very high. I would like to see how they are doing. I would encourage you, in any future statistical survey that you do, to include Hispanics as a group.

Dr. DEVINE. I would be happy to do that.

[OPM subsequenty supplied the following information.]

The latest data on VRA hires by Hispanics cover the period October 1982 through March 1983. Of the 7,213 VRA hires during this period, 581 (or 8 percent) were Hispanics. In comparison, total new hires into agencies and grades appropriate to the VRA program during this period were 6 percent Hispanic.

Mr. RICHARDSON. Thank you, Mr. Chairman.

Mr. LEATH. Thank you very much, Dr. Devine. We appreciate your appearance.

Dr. DEVINE. Thank you very much, Mr. Chairman. It is always a pleasure to be here.

Mr. LEATH. Our next witness will be Mr. Phil Mayo, special assistant, National Legislative Service of the VFW, accompanied by Mr. Kim Graham.

We welcome you here, Phil. Of course, you know how to proceed.

STATEMENT OF PHILIP R. MAYO, SPECIAL ASSISTANT, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES, ACCOMPANIED BY KIM GRAHAM, SPECIAL ASSISTANT, EMPLOYMENT AND READJUSTMENT, VFW

Mr. MAYO. Yes, sir. Thank you very much.

Thank you again, Mr. Chairman, for inviting the VFW to present its views with respect to the adequacy of rates of payment

for educational benefits under the Vietnam era GI bill and to review the Veterans Readjustment Appointment program.

First we would like to commend you and the members of the subcommittee for your efforts in advancing into law what has become Public Law 98–77, the "Emergency Veterans Job Training Act of 1983." We believe the enactment of this legislation, along with the hearing of matters of oversight before the subcommittee today, very amply demonstrates a full and insightful commitment to addressing substantively the needs of all veterans where such fall within the subcommittee's purview.

Mr. Chairman, a review of information obtained from the National Center for Education Statistics for the years 1980 through the school year 1983–84 indicates that all costs at all public institutions have risen 31.5 percent, and similar costs at all private institutions have risen 34.9 percent. The House Budget Committee, over this same timeframe, indicates that the average annual CPI has increased cumulatively approximately 30 percent.

From our analysis of this information, we conclude that veterans utilizing benefits under the GI bill have lost substantial ground when considering the increase in educational costs as they relate to the inflationary erosion of benefit payments.

It is also noted that the Chief Benefits Director of the Veterans' Administration has assured us that a GI bill rate increase will be provided for in the fiscal year 1985 budget. We believe, therefore, that the subcommittee's attention to rates under this program is very timely, and we urge that particular attention be paid our views in this connection.

The second matter before the subcommittee today is a review of the Veterans Readjustment Appointment program. Those participating agencies, in our experience, have achieved good results in hiring and retaining veteran appointees in career jobs. We also appreciate the energy that the Office of Personnel Management has recently devoted to publicizing the program, especially where VRA hiring performances among the agencies are publicized and a high rate of appointments is encouraged. We are also pleased that OPM has been conducting employment workshops, called the "Veterans Employment Programs: A Workshop," which have included information on VRA appointments and in which the VFW has participated.

Our experience, however, in working with the VRA program, as well as our continuing interest in improving veterans programs, lead us to suggest to the subcommittee several areas where consideration may be given to improve and strengthen the program.

First, we are convinced that the VRA program should be continued for at least 3 years. Second, we believe the educational restriction of not more than 14 years of education for non-disabled veterans as presently encoded in law should be removed. Third, coupled with the liberalization previously mentioned, we believe that the highest entry grade for such hirings should be raised from the GS–7 to the GS–9 level.

Finally, veterans hired under the auspices of this program who are removed from their appointed position, when such is held for less than a year, currently have no recourse to the Merit System Protection Board to justify their retention in Federal service.

Frankly, we believe the appeal process for the VRA appointees with less than 1 year of service should be established. The excellent retention and conversion rate among these hires demonstrates to us that the vast majority are good and motivated employees whose performance warrants this modest additional protection.

In a less positive vein, Mr. Chairman, we are still disappointed at the lack of participation by many agencies in the VRA program. While we recognize that not all agencies are hiring personnel, the fact remains that some agencies—most notably, the Department of Labor—have not demonstrated a commitment to the VRA concept in that their VRA hiring practices have not occurred in a fashion we believe to be commensurate with their needs.

Mr. Chairman, we again thank you and the subcommittee for your attention to these matters, and we would be happy to respond to questions you may have at this time.

[The statement of Philip R. Mayo appears at p. 31.]

Mr. LEATH. We thank you.

As has already been pointed out on several occasions—and, of course, very specifically by Mr. Richardson—many of the agencies have not done a very good job with this.

Have you people ever raised this issue with, say, the Secretary of Labor, or any of the others for that matter, during meetings of the Secretary's Committee on Veterans Employment and has the issue been presented for discussion with any of the departments, to your knowledge?

Mr. MAYO. I will defer to Mr. Graham to respond.

Mr. GRAHAM. Yes, sir. At the most recent meeting of the Secretary's Advisory Committee on Veterans, I personally brought that issue up. Secretary Donovan expressed his interest in the program and stated at that time he would certainly look into the matter to improve his record.

It is unfortunate that the central office personnel data file, which is the document which has been quoted here so often today, is so far removed from the present day, as to the actual work that is going on by the particular agencies. As a result, I cannot necessarily blame entirely the Department of Labor under Secretary Donovan as to the nonusage of the VRA program. However, I definitely feel that much greater attention should be placed toward that program and, as such, I asked Secretary Donovan to look into it.

Mr. LEATH. Well, I hope you keep us advised on what kind of a response you get from him.

Have you had any reports that veterans have been adversely affected by the recent reductions in the Federal student aid programs and has your membership indicated that they have had any problems funding their schooling in the last few years?

Mr. MAYO. Yes, sir, Mr. Chairman. That is reflected in the adoption of the resolution at our most recent convention, which calls for a realistic increase in those rates, both under chapter 34 and the Voc-Rehab program as well, chapter 31.

Mr. LEATH. Were you here when Miss Starbuck indicated what was being considered as far as the raises were concerned?

Mr. MAYO. Yes, sir.

Mr. LEATH. What is your reaction to that? Do you think that's adequate?

Mr. MAYO. Based on our analysis of the figures we have, I don't think it would be considered realistic in terms of what our resolution stipulates. Our resolution takes into consideration the information that I made available to the subcommittee and it calls for a realistic increase. Realistic means in terms of purchasing power, which has seriously eroded, as well as the increase in college costs, in addition to what can be reasonably accomplished by the Congress.

Mr. LEATH. OK. If you would submit for the record, Phil, a little bit more detail about your feelings on that, if it is not all in the resolution, we would appreciate it.

Mr. MAYO. Certainly. We would be happy to, sir.[1]

Mr. LEATH. Mr. Richardson, do you have any questions? I'll bet he has a question for you.

Mr. MAYO. I would be delighted to respond.

Mr. LEATH. He is one of the new members of the committee this year that we are delighted to have, because he has informed himself more on these issues than most of us do the first 3 or 4 years that we're here, Bill. So we are delighted to have you.

Mr. RICHARDSON. Thank you, Mr. Chairman.

Gentlemen, I wonder if you could comment on the administration's commitment to the program.

Why are the Department of Labor and the Department of Health and Human Services, not following through? Is it a lack of communication? Is it a lack of commitment? Is it a lack of taking this problem seriously? I would like your assessments on how this committee could make certain this program works.

Mr. GRAHAM. Sir, one of the areas that I have found in meeting with Secretary Donovan, as well as Dr. Devine, is that I genuinely believe that they personally have a commitment. Now, how that commitment is transferred down to the midlevel areas where they are actually doing the hiring and where they are utilizing the various hiring authorities, that becomes questionable.

As far as how to transfer your concern to the various Secretaries, I believe in any manner, shape or form that you could do that, be it a letter or a phone call or whatever, to make them realize that you are, in fact, serious, as we are, that greater utilization of the VRA program should be implemented.

Mr. RICHARDSON. I read the list of agencies and their participation in the VRA program. The figures were not encouraging.

Can you make an assessment of each of these agencies in regard to their participation in the VRA? Is the VRA program better suited to certain agencies like the Defense Department and the VA? Can this program be effective across the board?

Mr. GRAHAM. Certainly, sir. I really do not totally go along with the so-called excuse, that based on the hiring of the particular agencies that they are only hiring high-level people. High-level people need clerical help. It is truly unfortunate that the VRA usage itself has been more utilized in the area of clericals or, as Miss Starbuck earlier referred to it, as housekeeping aids. That is

[1] See p. 52.

why the VFW is extremely supportive of increasing the grade level positions.

It must be remembered that for today's Vietnam era veteran the average age is approximately 36 years old. I don't think he has any particular interest in coming into the Government at a GS–3 level when he probably has a wife and one child. That is why it is imperative that the entry level position rate be raised.

Mr. RICHARDSON. Thank you, Mr. Chairman.

Mr. LEATH. Thank you very much, gentlemen. We appreciate it.

Mr. MAYO. Thank you, Mr. Chairman.

Mr. GRAHAM. Thank you.

Mr. LEATH. Our next witness will be Mr. Ron Drach, national employment director of the DAV. We appreciate your being here. You have been here enough to know what to do, so we ask you to proceed.

STATEMENT OF RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS

Mr. DRACH. Thank you very much, Mr. Chairman.

I would like to maybe go over some of the things that have been said here this morning, rather than read my prepared statement.

Dr. Devine was up here and talked about some of the agencies' lack of utilization of the program. I think perhaps what we need to look at more so than aggregate figures or percentages is the grade level. There has been some discussion about raising the grade level to GS–9. We don't have any problem with raising the grade level, but we are fearful that by so doing it is not going to make that much difference, because we think that most of the appointments are relegated to GS–3, 4's and 5's anyway. I am not all that sure that the agencies are going to use that authority to appoint people at the GS–9 level.

Dr. Devine mentioned most of the agencies have undergone attrition, either through RIF's or otherwise, but that doesn't take away from the fact that in his own attachment Health and Human Services, for example, hired 16,674 new people. Now, they may be down in their overall total, but they appointed 16,000-plus new people in fiscal year 1982, only 69 of whom were VRA appointees.

Now, we don't have any concrete data on this, but back in 1977 and 1978, when we did take a look at accession rates during the civil service reform issue, we found that for the most part new appointees are at grade levels less than GS–9. They don't do too much hiring from the outside for the good jobs. They are usually filled by promotion from within, or other——

Mr. LEATH. Let me interrupt you at this point and ask, do you know why?

Mr. DRACH. I think basically it's a good philosophy. Most employers like to promote from within, so that if you have a good employee at the GS–9 level, and there is a GS–11 slot open, if that employee has proven himself to be a good employee, why go to the outside? I think that is not necessarily unique to the Federal system. I think private industry does the same thing, and I'm not saying that is a bad policy. But the bottom line is, not very many of the GS–9's, in our opinion, are jobs filled from the outside. So I don't

think raising the grade level, in and of itself, is going to be sufficient to increase grade levels, if you will, or to increase levels of participation in the VRA.

The other thing, if we are talking about delimiting or deleting education requirements, if we're talking about raising it to GS-9, if we are going to do that, I think we have to look at it as do we still want to call it a readjustment program. You know, it is almost 10 years since the Vietnam era was declared officially over.

Our position is one that, rather than extend it for 3 years and calling it a readjustment program, why not call it something different and make it a permanent program and let it be used, not as a readjustment benefit, or not as a readjustment system, but as a way to allow Federal departments and agencies who are sincere in their efforts to hire more Vietnam veterans to use it as a means to bring these individuals into the Federal work force.

We are a little bit concerned about perhaps dropping or doing away with the educational requirement, as was mentioned earlier. Right now disabled veterans, under the VRA program, are not restricted by the educational requirements, so that kind of gives us a little extra opportunity to compete, if you will, in a noncompetitive program, if that's not a contradiction in terms. It gives a little extra edge to the disabled veteran. So we would be reluctant to support any change in the education requirements for the nondisabled veteran.

Again, I guess if you're going to change it to a GS-9, you almost have to do away with the education requirements, because for the most part I think GS-9 levels do require some college education or a college degree. I am just not so sure that that's the way we want to go on this thing. I would like to see a little more information.

I would like to also know whether or not OPM could come up with some information as to the grade levels of the VRA; you know, are they relegated, as we suspect, to GS-3's, 4's and 5's? How many of the 200,000-plus appointments since 1970 have been above GS-5?

We are a little bit concerned about the conversion rate, or the dropout rate, if you will. The conversion rate I think is around 75 to 80 percent. I think that is, generally speaking, a pretty good indicator that the program is relatively successful. The intent of the VRA goes beyond just providing some assistance to readjust. The goal of it is to assimilate that person into a career job and not keep them at a GS-4, 5 or even a 7 level, but to make that program effective so that they can be promoted.

We have had some complaints where the training program, as was brought up earlier, is tailored to make that person more productive on the job. Well, if you hire somebody as a GS-4 or 5 file clerk, are you going to send him to school to learn the alphabet? Hopefully they know the alphabet when they're hired as a file clerk. We think the training should be more conducive to the individual's desirabilities, to make that person promotable or convertable into another career ladder, out of the file clerk area into a professional series, and do it that way, rather than relegating him to the training for which they are already being employed.

We think, as Mr. Graham pointed out, we need more current and timely data on this. We would like to see why is there such a high

dropout or high termination rate. It could be said in many cases it is a positive indicator, but on the other hand it may not be a positive indicator. We need to look at that.

We have no problem with doing away with the semiannual report, but we would urge that the report be on a more timely basis, also as was pointed out by Mr. Graham.

The area of the complaint process, or appeal process, if you will, I am not too sure the Merit System Protection Board is the way to go. Someone would have to question their wisdom, where they issued a decision recently that said, in essence, for a disabled person to request reassignment because of the disability, that that reassignment request was not necessarily a reasonable accommodation to that person's disability. I would expect a decision like that maybe 15 or 20 years ago, but today, when there has been so much said and done for and by the handicapped and disabled veterans—you know, that reassignment is not a reasonable accommodation. I just wonder what period in time their thinking is coming from. So I don't think we would be doing the Vietnam era veterans a justice or doing them any favors by allowing them to go to the Merit System Protection Board.

I think what we have to look at is OPM. OPM is the chief personnel office for the Federal Government. OPM, as far as I can see, is responsible for enforcement of Federal laws and regulations dealing with employment and personnel matters. The Merit System Protection Board, by its very nature and name, talks about things unrelated to merit, that allow people to have some redress through that system. We would rather see a complaint process set up within OPM and give OPM some investigatory authority so that they can go out and investigate these matters.

Right now, if we get a complaint from a veteran or anybody else saying the VRA is being violated or it is not working right, we have to go to the agency, more or less, and then the agency comes back and says, "Well, you're wrong; we're doing really good." And who are we to question that? We can't go any further. So we would rather have some redress through OPM.

Again, we don't question Dr. Devine's sincerity. We think he has been an ally in this effort and in the overall effort in employment of disabled and Vietnam veterans, and all veterans for that matter. But we need to look at some of the weaknesses in the system and rather than necessarily making the program more liberal, if you will, let's address some of the problem areas.

Incidentally, in my statement I mentioned the Department of Labor and HHS's rather deplorable record in this area. I would, with your permission, like to submit for the record letters that we sent yesterday to Secretary of Labor Donovan and Secretary of HHS Heckler regarding this particular issue, and requeting that they look into this and do a little bit more on it.

That concludes my prepared statement, Mr. Chairman. I would be happy to answer any questions.

[The statement of Ron Drach with attached letters appears at p. 33.]

Mr. LEATH. Thank you, Ron. As usual, you answered most of the questions that we had in your excellent presentation.

Perhaps we ought to change the name of it to "The Veterans Responsibility Act."

Mr. DRACH. That's a good idea.

Mr. LEATH. I just had another thought pop into my mind, that I leaned over to the staff about here. We might consider investigating the possibility of tying our new Jobs bill into this, in a manner of maybe selecting a pilot agency and seeing how within the Federal system itself we might train some of these people as they are hired for entry levels to go on up into more permanent higher positions. That is something we will need to explore.

I thought Dr. Devine made a good point. You mentioned that you would like to see the program made permanent, and I think he made a good point in saying that, in his judgment, the program should be ongoing or permanent, but by the same token he thinks it is good that we review it every 2 or 3 years because it does refocus attention on it; whereas if we just put it on the books ad infinitum, we would wake up 5 or 6 years down the road and find out that all the agencies had forgotten about it and the directives were on the bottom of the pile and nobody paid any attention to it. So we might want to——

Mr. DRACH. Well, on that particular score, Mr. Chairman, I think this committee could still exercise oversight in that area and just schedule periodic oversight hearings to keep the issue in the forefront.

Mr. LEATH. As you know, though, committees don't tend to do oversight as well as they do when the force of expiration faces them. I think that is something we need to give some serious thought to and not really get ourselves out on a limb by just saying it should be permanent, because we have got to realize how this system works up here. Frank is on me all the time about oversight hearings we need to have, and I would love to have them, but it is awfully difficult to work them into the schedule sometimes. You find yourself pushing that on the back burner. So we probably ought to keep that in mind, all the veterans organizations, as we go through this scenario.

Thank you very much. We appreciate it.

Mr. DRACH. Thank you.

Mr. LEATH. Our next witness will be Mr. Paul Egan, deputy director of the national legislative commission, the American Legion, accompanied by James Bourie. Gentlemen, you may proceed.

STATEMENT OF PAUL S. EGAN, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE COMMISSION, THE AMERICAN LEGION; AND JAMES G. BOURIE, DIRECTOR, NATIONAL ECONOMICS COMMISSION, THE AMERICAN LEGION

Mr. EGAN. Thank you, Mr. Chairman.

Jim and I are going to split the duties this morning. He will begin by addressing the issue of reauthorizing the VRA, and I will finish up by addressing the issue of the GI bill education increases.

Mr. BOURIE. Mr. Chairman, thank you. The American Legion thanks you for allowing us this time to present our views on the veterans readjustment appointments. Pertinent resolutions adopted

by the American Legion are attached, with the request that they be made part of the record.[1]

The VRA is a special noncompetitive Government hiring program for Vietnam era veterans. Since 1970, it has been responsible for the hiring of between 180,000 to 200,000 Vietnam era veterans. The American Legion believes that it is an excellent hiring program which provides to those qualified veterans a good opportunity to become permanent members of the Federal work force.

We have, indeed, seen a greater awareness and utilization of the VRA by Federal agencies despite stiff personnel ceilings and budget restrictions imposed on many agencies. We fully support OPM's initiatives in promoting the VRA and believe that through continued training conferences, bulletins and the like, more agencies will take advantage of the program.

Nonetheless, Mr. Chairman, OPM can only do so much, as the VRA, by law, is not mandatory. Therefore, there must be several favorable factors evident before an agency embraces the VRA: personnel ceilings, budget, and most of all, a commitment to the program by agency heads and managers. We also have a strong suspicion that the program still has a high turnover rate, conversions to less than the maximum GS–7 level, and lack of public information and outreach efforts.

For the period October 1981 through March 1982, approximately 7,400 Vietnam era veterans were hired under the VRA out of 149,300 total new Federal hires for the same period. But what is indeed noteworthy is which agencies are, in fact, doing the VRA hiring. The Department of Labor, with its office of Assistant Secretary for Veterans Employment, had only 2 VRA appointments out of 209 new hires. Likewise, with OPM, whose percentage of VRA appointments are too small to be recorded. However, the lion's share of appointments went to the Department of Defense and VA who, when combined, made over 7,000 VRA appointments. The American Legion commends both these agencies for their aggressive VRA hiring efforts and urges both the Department of Labor and OPM to intensify their own use of the VRA authority.

As we look at the VRA, we feel strongly that certain amendments are in order. Foremost, we strongly urge reauthorization to September 1987, as it will now terminate in September 1984. We also recommend that the current GS–7 level be raised to a GS–9 conversion level. Further, we suggest dropping altogether the 14 year schooling limitation governing eligibility. Deleting the educational criteria, while increasing the conversion level to GS–9, in our estimation, will make the VRA more attractive to veterans, provide greater career opportunities, attract a higher educated veteran to Federal service, and provide the agency with a higher caliber VRA candidate.

The American Legion would also recommend to OPM that once a veteran is converted from the VRA to the regular work force, that the trial time spent in VRA training be credited toward total civil service for purposes of pay, retention, seniority and other personnel matters.

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[1] See p. 39.

Finally, Mr. Chairman, OPM needs to develop a system to identify which agencies, and where, are utilizing the VRA program. This information can then be shared with the regional veterans Federal employment representatives, Veterans Employment Training Service of the Department of Labor, and the veterans organizations to promote a concerted public information and outreach effort.

That concludes my prepared text on it. I would like to add, Mr. Chairman, that under section 2012(d) of title 38, OPM shall be responsible for review and evaluation of the implementation and activities of each department and agency to carry out the provisions and purposes of this section.

There has been a lot of talk this morning concerning OPM's role in review and evaluation. The American Legion feels that OPM has fallen short in their responsibility to review and evaluate Federal agencies.

We have been going around and around with OPM concerning field evaluations of the VRA, the 30 percent, this new disabled veterans affirmative action program. We feel there is a monitoring device or program in place through the agency for compliance and evaluation. They flat out refused to put veterans' evaluation on their program. I have a letter, which I would be happy to share with the committee, saying that "we're simply not going to do it." And if I may quote, it said, "Instead of concentrating on specific agencies, OPM's evaluators will probe Government-wide personnel issues, like position management and classification, performance management and staffing, and the appointment system." In other words, they are going to keep the old system of random selection and not do field evaluation. We feel that if they did field evaluation and made part of the agencies and managers and supervisors performance evaluation, there will be a huge upswing in the amount of VRA 30 percent appointments made. That is the only way OPM could actually get out and check what agencies where are doing the VRA hiring.

This current system, where the information is submitted to the central office, put in the computer and spit out every 6 months or 12 months, doesn't really tell us much of anything. But in our estimation, if the agency for compliance and evaluation in their field guide actually said VRA 30 percent, disabled veterans affirmative action program, I think you would see a greater awareness and sensitivity on the part of agency supervisors and managers toward veterans' programs.

Mr. EGAN. In the area of education, Mr. Chairman, what the American Legion feels is needed now is that legislation be developed on a timely basis to make these education and training programs responsive to continuing inflationary pressures.

The rate of inflation subsequent to the last increase in education benefits has been exhorbitant; thus, the education payments have not kept pace with concurrent increases in the costs of tuition, books, and other educational supplies. We fear that veterans are being forced to drop out of their training programs and therefore they are not able to achieve their educational goals.

Another concern of the American Legion pertains to the vocational rehabilitation program provided under chapter 31 of title 38.

The Legion feels that determinations as to the need for vocational rehabilitation should not be unnecessarily restrictive.

In that respect, reports from our Department Service officers and other Legionnaires reflect that the Veterans' Administration is in some cases terminating certain veterans from training under chapter 31 if they are as much as minimally employed, regardless of the ultimate goal of their specific training programs. This, in the American Legion's opinion, is not in keeping with the purpose of the vocational rehabilitation program.

Now, after having said that, I think I would be remiss if I failed to say that what we have heard from the field is sporadic and in no way represents a pattern at the present time. But because we have been hearing those reports, we are attempting to monitor this much more closely than we would have. We simply offer that to this committee for its information.

That concludes our statement.

[The statement of the American Legion appears at p. 37.]

Mr. LEATH. Thank you, gentlemen.

In his earlier testimony, Dr. Devine mentioned the training courses for Government employees that have been held this year. Did the American Legion participate in any of these courses, and if so, how would you evaluate them?

Mr. BOURIE. Yes, sir, Mr. Chairman, we did. I participated in one some time ago before they were formalized over at the Department of Justice. I participated in another one here in Washington. I forget the amount of agencies that participated. All the participants were enthusiastic and committed to doing something for veterans.

But I think I opened their eyes in the respect that they assumed they had, as I put it, a lobby full of veterans waiting to be hired. I said, "Well, where do you go to find veterans?" None of them had the foggiest idea of where to start. They did not know the veterans organizations and how we were set up. One said, "Well, we go to the American Legion." I said, "Good luck. There are 2.6 million of us and 16,000 posts. Where do you go? How do you start? How do you begin the process? What about the Veterans Employment Training Service?" "What's that? Where are they?"

So, you see, there is really one hell of an educational process on the part of this program, and I certainly commend OPM for doing it. The people that are doing the training, the veterans program headed up by Marv Kossman and Don Smith, are doing an excellent job in educating these people. But, you see, it's a long road.

Mr. LEATH. I couldn't agree with you more. We have got to attempt to try to see how we can expand that. I think you have made some good suggestions on that point.

On page 4 of your testimony you recommend that the time spent in VRA training count toward total civil service for purposes of pay, retention, and other personnel matters, once the veteran is converted from the VRA to the regular work force.

Is this not now counted for personnel purposes?

Mr. BOURIE. My understanding, Mr. Chairman, is that it is not now counted for total Government service.

Mr. LEATH. Well, we sure want to check on that and see if your assumption is correct, because that doesn't make a great deal of sense.

Mr. BOURIE. No, I was a bit surprised when I found that out, also. I was always under the assumption that it was counted.

Mr. LEATH. It should be.

Thank you very much gentlemen.

Mr. BOURIE. You're entirely welcome.

Mr. LEATH. Let the record also show that Miss Starbuck has once again personally stayed here through this entire hearing. That is a trait that we think is quite commendable, Dorothy, and we once again want to compliment you on that. We appreciate it very much.

I would ask at this point unanimous consent to include in the hearing record a statement on behalf of the American Association of State Colleges and Universities.

[The statement appears at p. 46.]

Mr. LEATH. The hearing record will remain open for 1 week to receive any additional statements that we might have.

Once again, to all of our witnesses, we appreciate your coming. The committee will be adjourned.

[Whereupon, at 11 a.m., the subcommittee was adjourned.]

APPENDIX

STATEMENT OF DOROTHY L. STARBUCK, CHIEF BENEFITS DIRECTOR, VETERANS' ADMINISTRATION

Mr. Chairman and Members of the Subcommittee: I am pleased to appear before you today to provide you with the views of the Veterans' Administration on benefit rate increases for our vocational rehabilitation and education programs and on extension of the veterans readjustment appointments authority.

The Veterans' Administration wholeheartedly supports the career advancement efforts of veterans, and we are mindful of the added financial burdens that may be incurred as they pursue training. In this regard, it is important to keep in mind that GI Bill benefits are not automatically raised each year. The last time these benefits were increased was the two-step, 10 percent boost enacted in Public Law 96–466, 5 percent of which became effective on October 1, 1980, and the second 5 percent on January 1, 1981. This two-step approach was necessary because the allocation for entitlement programs under the Congressional budget for Fiscal Year 1981 did not make sufficient provision for the cost of allowing the full 10 percent to become effective on October 1, 1980.

Figures published by the National Center for Education Statistics, U.S. Department of Education, disclose that there has been an acceleration in the overall cost of education in recent years. These NCES data show that the total cost of tuition, board and room for all public schools rose by 33.3 percent from school year 1980–81 through school year 1983–84 and these same costs increased by 37.9 percent at all private schools during the same period.

The NCES figures are substantiated by similar statistics published by the American Council on Education and the College Boards. Forecasts made recently by representatives of the educational community indicate there will be another 8 percent increase in these costs by the next school year.

It should be emphasized that the statistics I have cited relate only to the cost of tuition, fees, room and board. Unfortunately, we do not have any similar statistics for other educational costs such as books, supplies and equipment which the veteran must pay. It can only be assumed that these costs have also increased.

This demonstrates clearly that all costs of education have risen in recent years, and very likely will continue to rise in the years immediately ahead. I can assure the Committee that this matter is receiving serious consideration in the budget process for the next fiscal year. It should be empahasized, of course, that any increase in educational rates must be evaluated in light of the budgetary constraints under which we are operating, as well as the fiscal needs of our other veterans benefits programs.

Mr. Chairman, you also asked that we provide you with our views on the extension of veterans readjustment appointments in the civil service for Vietnam-era and disabled veterans. We strongly support such an extension. This authority has been most beneficial to the Veterans' Administration in filling staffing needs and has led to the permanent employment of many disabled and Vietnam-era veterans who, once provided the opportunity, have proved to be high-quality employees. Moverover, the Veterans' Administration has been one of the leading users of this authority, and we are proud of having made over one-third of all appointments since the program's inception. Our use of veterans readjustment appointments has also helped us meet our affirmative action goals. For example, as of a year ago, almost 50 percent of our veterans readjustment appointees were minorities. The extension of this authority would, if enacted, allow the Veterans' Administration and other Federal agencies to reach many more Vietnam-era and disabled veterans who need only the opportunity to prove their ability to overcome the employment barriers which remain, even years after the conclusion of the Vietnam-era. The continuing unemployment of many Vietnam-era veterans demonstrates the need for continu-

ation of this program. In August 1983, the unemployment rate for male Vietnam-era veterans was 1.5 percent higher than the rate for all male veterans. (Data for female veterans is not compiled.)

Extending the authority for readjustment appointments is an essentially cost-free method of aiding veterans in completing their readjustment. It is expected that the extension of this authority would have no budgetary impact on the Veterans' Administration.

Mr. Chairman, this completes my presentation. I will be pleased to respond to any questions you or Members of the Subcommittee may have.

STATEMENT OF DONALD J. DEVINE, DIRECTOR, U.S. OFFICE OF PERSONNEL MANAGEMENT

Mr. Chairman and Members of the Subcommittee: I am pleased to have the opportunity of presenting the Office of Personnel Management's (OPM) views in support of legislation which would authorize extension of the Veterans Readjustment Appointment (VRA) Program through September 30, 1987.

The VRA Program has been a great success in providing employment for those Vietnam era veterans who need help the most. The VRA authority provides improved employment opportunities for disadvantaged Vietnam era veterans. It allows agencies to hire these veterans without competition on Civil Service examinations and subsequently to convert them to career or career-conditional appointments after two years of satisfactory employment and training.

The hiring results are impressive. Since the program was established by President Nixon in 1970, VRA's have provided employment opportunities for more than 200,000 Vietnam era veterans. Over the past five fiscal years minorities have received an average of 38 percent and women 9 percent of the total veterans readjustment appointments. I am submitting data attached to my testimony showing VRA hires made by agencies in fiscal year 1982. The most recent data show a total of 7,200 VRA's made in the first half of fiscal year 1983. Of these, approximately 35 percent were minorities and 8 percent women.

The VRA Program is a voluntary one. The VRA authority competes for its use with other vital public policy goals and measures. There are no added costs associated with the program. No new positions are created. The appointments are counted against agencies' personnel (FTE) ceilings.

OPM has taken significant actions to encourage greater participation by Federal agencies in the VRA Program. These actions include: providing technical assistance and advice to agencies, monitoring and evaluating the program by our regional offices, publicizing the program through Federal Executive Boards (FEB's) and Interagency Advisory Groups (IAG's) committee meetings, dispensing helpful job information to veterans through our network of Federal Job Information Centers (FJIC's), participating in winter meetings and national conventions of veteran groups, addressing Federal employment forums in Newark, Denver, and Seattle by the Veterans Employment Division central office staff, emphasizing our policy guidance and increasing our cooperation with the VA and Department of Labor.

In addition, we have successfully launched a new training course, "Veterans Employment Programs: A Workshop," a one day course designed for Government employees with the responsibility for Veterans Employment Programs. A major component of this course covers the policies and procedures of the VRA Program and how agencies can use the VRA authority more effectively. Agency participant comments have been highly favorable in the five sessions held to date. The resource participation of the veteran organizations and VA have contributed to the success of the course. Current plans call for the course to be presented 12 times in fiscal year 1984.

Today the Federal Government as an employer has an obligation to take the lead to reduce the high rate of unemployment that exists among certain Vietnam era veterans. The Department of Labor reported that there were 663,000 unemployed Vietnam era veterans in July 1983. In addition, Vietnam era veterans 25-to-39 years continue to have greater unemployment than nonveterans. The second quarter 1983 average rate of unemployment for Vietnam era veterans 25-to-39 years was 9.8 percent compared to 9.5 percent for nonveterans. The second quarter 1983 average rate of unemployment for black Vietnam era veterans 25-to-39 years was 20.9 percent compared to white Vietnam era veterans of the same age category of 8.4 percent.

The most effective action the Federal Government as an employer can take to reduce this high rate of unemployment among Vietnam era veterans is to extend the successful Veterans Readjustment Appointment Program. I supported the three year VRA extension which President Reagan signed into law over two years ago. I

now support enactment of legislation to extend the VRA Program through September 30, 1987.

I also urge that several improvements be made to the VRA Program to make it more fair and effective. First, we think that maximum grade level for appointment should be raised from GS–7 to GS–9. This action will enhance the effectiveness of the program because agencies will have increased flexibility to make employment decisions. It recognizes that some Vietnam era veterans have obtained the necessary experience and education to qualify for a higher grade.

Second, we believe that 14-year education limit for nondisabled Vietnam era veterans should be waived altogether. It is an artifical limit which discourages improving skills through education. It is the case that Vietnam era veterans are taking advantage of higher education. It appears that an increasing number of veterans have gone back to school because they do not want to lose their GI educational benefits and, given the tight job market, these veterans opt for school in lieu of unemployment. To now deny them employment because they elected to enhance their education is to defeat the main purpose of the VRA Program which is to provide long-term employment opportunities to Vietnam era veterans.

Our third recommendation calls for the elimination of the semiannual VRA Program report publication requirement in favor of an annual requirement. Currently the law requires OPM to obtain and publish semiannual reports on agency use of the VRA Program. These reports are sent to Congress as soon as data are available, although the law does not require it. The change to an annual report publication requirement is needed because the current 6-month report requirement is unnecessarily burdensome. This procedural change is fully consistent with the Administration's policy to reduce paperwork and to make the Government operate more efficiently and effectively. The proposal would generate modest savings in terms of staff hours and publication costs. It would mean less Government regulation. We have estimated the savings to be in excess of $6,000 annually.

I want to emphasize that this proposal would in no way lessen OPM's clear responsibility to monitor and evaluate agency use of the VRA Program. OPM will continue to prepare and issue summaries of VRA hires and other veteran data on a 6-month basis to all parties interested in receiving this information.

We would continue to issue annual report on veterans employment programs in the Federal Government covering initiatives, policies, and programs as required by title 38 of the United States Code. This report would include coverage of the VRA Program.

The Administration will be submitting a proposal to the Congress early in 1984. We look forward to working with the subcommittee to extend this successful program.

Mr. Chairman, I will be pleased to answer any questions.

Attachment

TOTAL AND ESTIMATED VETERANS READJUSTMENT AUTHORITY APPOINTMENTS BY AGENCY (FISCAL YEAR 1982)

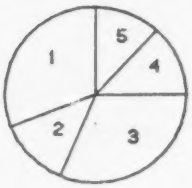
AGENCY	Total New Hires	All VRA Hires 1/ #	All VRA Hires 1/ % of Total	All VRA Hires 1/ Disabled	Minority VRA Hires 3/ #	Minority VRA Hires 3/ % of all VRAs	Minority VRA Hires 3/ Disabled	Women VRA Hires #	Women VRA Hires % of all VRAs	Women VRA Hires Disabled
Total, All Agencies 2/	367,007	15,017	4.1%	1,821	4,820	32.1%	532	1,412	9.4%	167
Agriculture	36,572	73	0.2	2	19	26.0	-	8	11.0	1
Commerce	4,751	42	0.9	8	10	23.8	3	3	7.1	-
Defense	(175,130)	(9,193)	(5.2)	(1,220)	(3,162)	(34.4)	(400)	(989)	(10.8)	(46)
Air Force	40,533	1,958	4.8	292	564	28.8	79	215	11.0	5
Army	72,213	4,734	6.6	750	1,591	33.6	257	541	11.4	32
Defense Logistics Agency	7,261	557	7.7	61	275	49.4	22	45	8.1	5
Navy	48,699	1,890	3.9	112	713	37.7	39	185	9.8	4
Other Defense Activities	6,424	54	0.8	5	19	35.2	3	3	5.6	-
Energy	1,686	35	2.1	-	5	14.3	-	3	8.6	-
Health and Human Services	16,674	69	0.4	9	43	65.2	6	8	11.6	2
Interior	23,841	82	0.3	4	10	12.2	-	3	3.7	-
Justice	8,015	350	4.4	43	111	31.7	9	14	4.0	2
Labor	1,141	5	0.4	-	-	-	-	-	-	-
Transportation	11,363	102	0.9	3	14	13.7	1	11	10.8	-
Treasury	20,335	314	1.5	66	164	53.6	30	27	8.6	5
Total Executive Departments	299,508	10,265	3.4	1,355	3,538	34.5	449	1,066	10.4	56
Equal Empl. Opportunity Comm.	101	2	2.0	1	-	-	-	1	50.0	1
Federal Deposit. Insurance Corp.	398	2	0.5	-	1	50.0	-	-	-	-
General Services Adm.	2,512	10	0.4	3	2	20.0	-	1	10.0	-
Government Printing Office	39	1	2.6	-	1	100.0	-	-	-	-
Int'l. Boundary & Water Comm.	31	10	32.3	1	5	83.3	1	-	-	-
Nat'l. Aeronautics & Space Adm.	2,833	14	0.5	-	5	35.7	-	3	21.4	-
Nat'l. Credit Union Adm.	47	1	2.1	-	-	-	-	1	100.0	-
Nat'l. Fd. on Arts & Humanities	133	1	0.8	-	-	-	-	-	-	-
Office of Personnel Mgmt.	351	7	2.0	1	1	50.0	-	-	-	-
Small Business Adm.	1,053	1	0.1	-	-	-	-	-	-	-
Smithsonian	304	41	13.5	1	14	34.1	1	-	-	-
Veterans Administration	59,697	4,662	7.8	459	1,253	28.6	81	340	7.3	10
Total, Independent Agencies	67,499	4,752	7.0	468	1,282	28.7	83	346	7.3	11

Sources: U.S. Office of Personnel Management
Monthly Report of Federal Employment (SF 113-A) and
Central Personnel Data File (CPDF)

1/ Includes new hires and conversions into the VRA program. The VRA data were estimated by applying the CPDF proportion of each agency's VRA hires to total hires with the new hire figures reported by each agency on their SF 113-A report.
2/ Includes only those agencies which made VRA appointments during this period.
3/ Employees with unspecified minority group are excluded from the base in calculating percent minority.

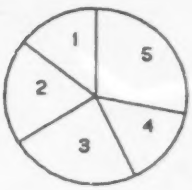
PERCENT DISTRIBUTION OF NEW HIRES BY AGENCY:
FISCAL YEAR 1982

VRA NEW HIRES



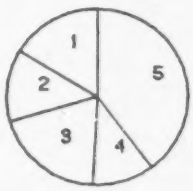
1: V.A. HAS 31.04%
2: NAVY HAS 12.59%
3: ARMY HAS 31.52%
4: AIR F HAS 13.84%
5: OTHER HAS 11.81%

VETERAN NEW HIRES



1: V.A. HAS 14.51%
2: NAVY HAS 19.46%
3: ARMY HAS 23.17%
4: AIR F HAS 14.81%
5: OTHER HAS 28.05%

TOTAL NEW HIRES



1: V.A. HAS 16.27%
2: NAVY HAS 13.27%
3: ARMY HAS 19.68%
4: AIR F HAS 11.84%
5: OTHER HAS 39.74%

STATEMENT OF CONGRESSMAN BILL RICHARDSON

Mr. Chairman, I want to thank you for holding this hearing to discuss the need for increases in the GI Bill education benefits and the reauthorization of the Veterans Readjustment Appointments (VRA) program. These programs have benefited thousand of Veterans and I am glad we have an opportunity today to review them.

Although the rate of increase in the Consumer Price Index has slowed, the increase from January 1981—the last time GI benefits received an increase—to the present has been substantial. Clearly, the worth of these GI benefits have been deteriorating over the past few years. If we are continue to see positive results from this program, we must increase GI bill benefits. I look forward to hearing the testimony today to see where these increases should be directed and exactly how much of an increase is necessary to bring the benefits back up to their original worth.

Second, the Veterans Readjustment Appointment program has proven to be extremely successful in providing employment for Vietnam Veterans and in providing quality and dedicated employees to the federal government. The unemployment rate among Vietnam Veterans is staggering. Congress recently passed a bill to provide training and employment for this group of Veterans and I was proud to be a cosponsor of that legislation. But we must not stop there. The VRA program is just another method by which the federal government is providing an opportunity for the Vietnam Veteran to work. The program's success is evident—since its inception in 1970, roughly 200,000 appointments have been made. Of course there is always room for improvement and I look forward to hearing how we can make this program work even better for the unemployed Vietnam Veteran.

Again, Mr. Chairman I want to commend you for holding this hearing today to address these two important Veterans programs.

STATEMENT OF PHILIP R. MAYO, SPECIAL ASSISTANT, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. Chairman and members of the subcommittee: Thank you for the opportunity to present the views of the Veterans of Foreign Wars of the United States with respect to the adequacy of rates of payment for educational benefits under the Vietnam Era GI Bill and a review of the Veterans Readjustment Appointment Program.

First Mr. Chairman we would like to commend you and the members of the Subcommittee for your efforts in advancing into law what has become Public Law 98–77, the "Emergency Veterans Job Training Act of 1983." We believe the enactment of this legislation along with the hearing of matters of oversight before the Subcommittee today very amply demonstrate a full and insightful committment to addressing substantively the needs of all veterans where such fall within the Subcommittee's purview.

As you may recall, Mr. Chairman, when we (last) specifically addressed the adequacy of the rates of payment under the Vietnam era GI Bill on July 31, 1979, we indicated at that time that according to the National Center for Education Statistics, all education cost at all public institutions had gone up in the past three years 11 percent and 17.2 percent in private institutions. This observation preceded the enactment of Public Law 96–466, the "Veterans' Rehabilitation and Education Amendments of 1980," which provided for a 5 percent increase in GI Bill payment rates effective October 1, 1980 and a similar amount effective January 1, 1981.

Over this same time period (1977 through 1979) the Committee on the Budget, U.S. House of Representatives, indicates that the average annual increase in the Consumer Price Index for each year was (a) for 1977, 6.5 percent; (b) for 1978, 7.7 percent; and (c) for 1979, 11.3 percent. These figures represent a cumulative increase in the CPI of 25.5 percent.

A review of information obtained from the National Center for Education Statistics for the years 1980 through the school year 1983–84 indicates that all costs at all public institutions have risen 31.5 percent and similar costs at all private institutions have risen 34.9 percent. Again, Mr. Chairman, the House Budget Committee indicates that the average annual CPI increased (a) for 1980, 13.5 percent; (b) for 1981, 10.4 percent; and (c) for 1982, 6.1 percent. Cumulatively, the CPI has risen 30 pecent over the last three years.

From our analysis of this information, we conclude that veterans utilizing benefits under the GI Bill have lost substantial ground when considering the increase in educational costs as they relate to the inflationary erosion of benefits payments. It is also noted that the Chief Benefits Director of the Veterans Administration has assured us that a GI Bill rate increase will be provided for in the fiscal year 1985 Budget. We believe, therefore, that the Subcommittee's attention to rates under this

program is very timely, and we urge that particular attention be paid our views in this connection. In support of these views, a copy of Resolution No. 623, entitled "Vietnam Era GI Bill and Vocational Rehabilitation," which resolves that we seek a realistic GI Bill cost of living increase, is attached for your review.

The second matter before the Subcommittee today is a review of the Veterans Readjustment Appointment Program (VRA). As you know, Mr. Chairman, this very worthwhile and successful program was implemented in 1970, and authorized Federal agencies to hire Vietnam-era veterans without competition or civil service examinations and subsequently, to convert them to career appointment's after two years of satisfactory employment and training. Those participating agencies, in our experience, have achieved good results in hiring and retaining veteran appointees in career jobs. We also appreciate the energy that the Office of Personnel Management (OPM) has recently devoted to publicizing the program, especially where VRA hiring performances among the agencies are publicized and a high rate of appointments is encouraged. We are also pleased that OPM has been conducting employment workshops (Veterans Employment Programs: A Workshop) which have included information on VRA appointments, and in which the VFW has participated.

However, our experience in working with the VRA program as well as our continuing interest in improving veterans programs lead us to suggest to the Subcommittee several areas where consideration may be given to improve and strengthen this program. First, we are convinced that the VRA program should be continued for at least three years. OPM supplied statistics on hires and retention on these appointments alone are sufficient justification to us to warrant this extension.

Secondly, we believe the educational restriction of not more than 14 years of education for non-disabled veterans as presently encoded in law should be removed. Our review of the success in the hiring and retention of veterans has convinced us that the government has greatly benefited from this experience in securing motivated employees, and we see no reason to continue restricting the pool of non-disabled eligible veterans in this fashion.

Thirdly, coupled with the liberalization above, we believe that the highest entry grade for such hirings should be raised from the GS–7 to the GS–9 level. Simply stated, we believe that those who are qualified for the hihger level jobs should be appointed to them and should not be held back.

Finally, veterans hired under the auspices of this program who are removed from their appointed position, when such is held for less than a year, currently have no recourse to the Merit System Protection Board to justify their retention in federal service. Frankly, we believe an appeal process for VRA appointees with less than one year of service should be established. The excellent retention and conversion rate among these hires demonstrates to us that the vast majority are good and motivated employees whose performance warrants this modest additonal protection. In support of this view, VFW Resolution No. 614, entitled "VRA Appeal Process," is appended for your consideration.

In a less positive vein, Mr. Chairman, we are still disappointed at the lack of participation by many agencies in the VRA program. While we recognize that not all agencies are hiring personnel, the fact remains that some agencies (most notably the Department of Labor) have not demonstrated a committment to the VRA concept in that their VRA hiring practices have not occurred in a fashion we believe to be commensurate with their needs.

Mr. Chairman, we again thank you and the Subcommittee for your attention to these matters, and would be happy to respond to questions you may have at this time.

RESOLUTION NO. 623—VIETNAM ERA GI BILL AND VOCATIONAL REHABILITATION

Whereas, veterans educational assistance terminates for most veterans 10 years after their release from active duty; and

Whereas, many veterans, because of readjustment problems, are unable to pursue or complete their educational training within their delimiting date; and

Whereas, there has been new "GI Bill" legislation introduced which would remove the current expiration date for Vietnam veterans who have remained in the service; and

Whereas, these veterans must rely on other educational assistance programs which are being targeted for elimination under proposed budget cuts; and

Whereas, education costs have increased dramatically since the last cost-of-living increase was granted; and

Whereas, for those reasons many veterans will be unable to pursue their educational goals; now, therefore

Be it *Resolved,* by the 84th National Convention of the Veterans of Foreign Wars of the United States, that we support legislation to remove the delimiting and expiration dates for VA educational benefits for veterans with active service after August 4, 1964; and

Be it *Further Resolved,* a realistic GI Bill and vocational rehabilitation cost-of-living increase be granted.

Adopted by the 84th National Convention of the Veterans of Foreign Wars of the United States held in New Orleans, Louisiana, August 12-19, 1983.

RESOLUTION NO. 614—VRA APPEAL PROCESS

Whereas, Executive Order 11521, implemented the Veterans Readjustment Appointment (VRA) Program for the purpose of easing the transition of Vietnam-era veterans into civilian life; and

Whereas, it has been the long-established policy of the Veterans of Foreign Wars to support and promote the Veterans Readjustment Appointment Authority; and

Whereas, at present if a VRA appointee is summarily removed from his position—which he has occupied for less than one year—that veteran has no recourse to the merit systems protection board; now, therefore

Be it *Resolved,* by the 84th National Convention of the Veterans of Foreign Wars of the United States, that we urge the Office of Personnel Management to establish appeal procedures for VRA appointees with less than one year tenure.

Adopted by the 84th National Convention of the Veterans of Foreign Wars of the United States held in New Orleans, Louisiana, August 12-19, 1983.

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
OFFICE OF THE DIRECTOR,
October 26, 1983.

Hon. MARVIN LEATH,
Chairman, Subcommittee on Education, Training and Employment, Committee on Veterans Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: During the course of the September 29, 1983 Subcommittee hearing on Vietnam-era GI Bill payment rates and other matters, you requested that we provide the Subcommittee with a rate of increase recommendation we believe would be appropriate under the terms of our current resolution.

After careful review and consideration of all matters relevant to this question, we believe that a 15 percent increase in those rates is wholly justified. At the same time, however, we recognize that the realities of the budget process may dictate otherwise.

With best wishes and kind regards, I am

Sincerely,

DONALD H. SCHWAB,
Director, National Legislative Service.

STATEMENT OF RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS

Mr. Chairman and members of the subcommittee: On behalf of the approximately 790,000 members of the Disabled American Veterans, I want to take this opportunity to thank you for having these hearings to discuss the possibility and feasibility of extending the Veterans' Readjustment Appointment (VRA) authority currently contained in Section 2014, Title 38, U.S. Code.

As we know, the authority for this type of appointment expires September 30, 1984. The Subcommittee is to be commended for its foresight in this matter to determine whether or not the program is of such significance that it should be extended. Mr. Chairman, the last time the program was extended, it had to be done retroactively and we certainly congratulate you for attempting to avoid that problem now and in the future.

Mr. Chairman, while the DAV does not have a specific resolution regarding the extension of the VRA, it is certainly a proposal that we can support.

The DAV believes that, although not without problems, the VRA has significantly helped scores of thousands of veterans of the Vietnam Era in readjusting to civilian life through meaningful employment.

I am informed that since 1970 approximately 200,000 such appointments have been made. Perhaps more important than the aggregate appointments is the rate of conversion to career or career conditional employment, which is the goal of the program. I am also informed that approximately 75 percent to 80 percent of these initial appointees have been converted. We believe this is certainly a positive aspect of a successful program.

Mr. Chairman, criticism of this program has been sporadic and sometimes unfounded. However, there is reason to believe that some agencies or specific hiring sites of some agencies tend to underutilize the VRA and restrict appointments to lower grade levels; i.e., GS 3, 4 and 5s. Some agencies, of course, have a relatively poor record, while others have records to be commended.

I have attached some data recently released by the Office of Personnel Management showing VRA and disabled veteran hires by agencies for October 1, 1981 through March 30, 1982. In reviewing these data, it is interesting to note that defense agencies rank very high, both in the appointment of Vietnam Era veterans, as well as disabled Vietnam Era veterans. The Veterans Administration, as should be, is also a lead agency.

Mr. Chairman, what disturbs us about this report are the records of the Department of Labor and Department of Health and Human Services. As you will recall, Public Law 97-306, in part, established a Secretary of Labor's Committee on Veterans Employment within the Department of Labor. Several federal departments and agencies, including the VA and HHS, were mandated to serve on that Committee. The Department of Health and Human Services, although hiring almost 5,000 people in this period, made only ten (.2 percent) VRA appointments and only three of them were disabled Vietnam Era veterans. The Department of Labor reports 209 accessions with only two VRA appointees, none of whom were disabled veterans.

Mr. Chairman, the Disabled American Veterans is appalled that agencies as large as the Department of Labor and Health and Human Services have such a dismal record under the VRA. We are contacting Secretary of Labor Donovan and Secretary of Health and Human Services Heckler to advise them of our displeasure and request that affirmative steps be taken to increase their participation in this most worthwhile program.

Mr. Chairman, the VRA had its start when President Lyndon B. Johnson issued Executive Order 11397 in 1968. President Johnson issued this Executive Order in response to the acknowledgement that:

". . . the Federal Government has the obligation to facilitate the transition of veterans from service in the armed forces during the Vietnam era to employment in civilian pursuits;"

". . . the Government as an employer has a continuing need for skilled employees and a corresponding duty to encourage the acquisition of adequate education or training by its employees."

On March 26, 1970, President Richard Nixon issued Executive Order 11521 and recognized that:

". . . this Nation has an obligation to assist veterans of the armed forces in readjusting to civilian life;"

". . . the Federal Government, as an employer, should reflect its recognition of this obligation in its personnel policies and practices;"

". . . veterans . . . have lost opportunities to pursue education and training . . . and veterans constitute a major recruiting source."

In issuing Executive Order 11521, President Nixon revoked Executive Order 11397.

It was not until December 3, 1974 when the Vietnam Era Veterans Readjustment Assistance Act of 1974 (Public Law 93-508) was enacted that the VRA became law. It has since been extended on several occasions and, as indicated earlier, it now expires September 30, 1984.

Mr. Chairman, the DAV believes that given the relative success of this program, it should be made a permanent noncompetitive appointing authority. Even if the legislative authority were to expire, the Executive Order authority would continue until such time as the President would revoke it.

We believe that this type of authority could and should continue to be used—not to provide "readjustment" assistance to Vietnam Era veterans—but to give federal departments and agencies an opportunity to assimilate certain Vietnam Era veterans who continue to experience employment and employment-related problems to potential career employment with the federal government.

Although originally intended as a "readjustment appointment," we believe the federal government can point with pride to the fact that large numbers of Vietnam Era veterans have become productive employees of the federal government.

Mr. Chairman, there are other existing noncompetitive authorities available so that this type of open-ended program would not be without precedent. For example, under certain circumstances, former volunteers who served under the Peace Corps program of VISTA may be appointed noncompetitively within three years following their separation from that service. However, the program itself is ongoing and does not have a "sunset date."

Other groups, ioncluding certain disabled veterans, severely physically handicapped and mentally retarded individuals, may be appointed noncompetitively under certain conditions without any termination date for the authority. We believe this is yet another way in which the federal government can attempt to address the serve ongoing unemployment problems of Vietnam Era veterans.

Mr. Chairman, I have a personal interest in this program. As indicated earlier, the first authority for such appointments was Executive Order 11397 signed February 9, 1968 by President Johnson. I was a fortunate beneficiary of the Presidnet's signing, as I became employed by the Veterans Administration under the authority effective February 10, 1968, less than 24 hours after signing. That program and my appointment under it assisted me in a successful transition from military to civilian life. I believe there are thousands of success stories whereby this authority was a major factor in Vietnam Era veterans returning to a productive career.

Mr. Chairman, although this program has been virtually devoid of criticism, we do receive some complaints. We have found that little authority exists for investigating complaints or alleged violations. Accordingly, we suggest that this Subcommittee consider in its deliberations a change to Section 2014 which would require the Office of Personnel Management to investigate inquiries from veterans who allege improprieties.

Mr. Chairman, this concludes my prepared statement and I will be happy to respond to any questions.

DISABLED AMERICAN VETERANS,
Washington, D.C., September 28, 1983.

Hon. RAYMOND DONOVAN,
Secretary of Labor,
Washington, D.C.

DEAR SECRETARY DONOVAN: As you may be aware, the House Veterans Affairs Committee, Subcommittee on Education, Employment and Training is considering the possibility of extending the Veterans Readjustment Appointment (VRA) authority currently contained in Section 2014 of Title 38, U.S. Code.

The VRA allows federal departments and agencies to appoint on a noncompetitive basis, certain Vietnam era veterans to positions within the federal government up to and including GS–7. This has been encouraged as a very productive means to assimilate Vietnam era and disabled Vietnam era veterans into the federal work force.

The DAV certainly supports the concept of this program as well as an extension of the authority and has provided testimony to the Committee. In researching this particular subject for hearings before the Subcommittee, we obtained and reviewed the most current data available from OPM's Civilian Personnel Data File regarding these appointments. Regrettably, the most recent report reflects only the sixth month reporting period from October 1, 1981 through March 30, 1982.

When reviewing this report, we were shocked to find that the Department of Labor hired 209 new employees to whom a mere two (.9 percent) were appointed under the VRA authority. Of further consternation to this organization was the fact that of the VRA appointees, none were disabled veterans of the Vietnam era.

I have attached a copy of the report from OPM and would like to point out that Defense agencies and the Veterans Administration have relatively good records in making these types of appointments. Your department ranks very near the bottom.

The Disabled American Veterans strongly believes that in your capacity as Chairman of the Secretary's Committee on Veterans' Employment, that you should be setting an example for other federal departments and agencies in the area of employment of disabled and Vietnam era veterans.

Accordingly, we would appreciate your review of these data with a request that you take aggressive affirmative steps to improve your department's hiring of veterans using the VRA. Your early review and response would be appreciated.

Sincerely,

RONALD W. DRACH,
National Employment Director.

Attachment.

TABLE II.—TOTAL VRA AND DISABLED VETERANS BY AGENCY—OCTOBER 1, 1981 TO MARCH 30, 1982 [1]

Agency	Total hires	VRA hires	Percent	Disabled veterans
All	149,383	7,371	4.9	906
Agriculture	9,568	19	.2	
Commerce	1,949	14	.7	
Defense (total)	80,015	4,909	6.1	658
Army	27,481	2,363	8.6	392
Navy	25,496	892	3.5	37
Air Force	21,547	1,293	6.0	187
Defense logistics	2,900	322	11.1	38
Other defense	2,591	39	1.5	4
Energy	674	5	.7	
HHS	4,963	10	.2	3
Interior	5,123	26	.5	
Justice	2,522	86	3.4	13
Labor	209	2	.9	
Transportation	5,257	47	.9	2
Treasury	13,422	148	1.1	22
VA	23,504	2,092	8.9	205
All other agencies	2,177	13	.6	3

[1] Source: OPM Civilian Personnel Data File [CPDF].

DISABLED AMERICAN VETERANS,
Washington, D.C., September 28, 1983.

Hon. MARGARET HECKLER,
Secretary of Health and Human Services,
Washington, D.C.

DEAR SECRETARY HECKLER: As you may be aware, the House Veterans Affairs Committee, Subcommittee on Education, Employment and Training is considering the possibility of extending the Veterans Readjustment Appointment (VRA) authority currently contained in Section 2014 of Title 38, U.S. Code.

The VRA allows federal departments and agencies to appoint on a noncompetitive basis, certain Vietnam era veterans to positions within the federal government up to and including GS–7. This has been encouraged as a very productive means to assimilate Vietnam era and disabled Vietnam era veterans into the federal work force.

The DAV certainly supports the concept of this program as well as an extension of the authority and has provided testimony to the Committee. In researching this particular subject for hearings before the Subcommittee, we obtained and reviewed the most current data available from OPM's Civilian Personnel Data File regarding these appointments. Regrettably, the most recent report reflects only the sixth month reporting period from October 1, 1981 through March 30, 1982.

When reviewing this report, we were shocked to find that the Department of Health and Human Services hired 4,963 new employees of whom a mere ten (.2 percent) were appointed under the VRA authority. Of further consternation to this organization was the fact that of the VRA appointees, a miniscule three were disabled veterans of the Vietnam era.

I have attached a copy of the report from OPM and would like to point out that Defense agencies and the Veterans Administration have relatively good records in making these types of appointments. Your department ranks very near the bottom.

The Disabled American Veterans strongly believes that HHS as a lead agency on the Secretary of Labor's Committee for Veterans' Employment, should be setting an example for other federal departments and agencies in the area of employment of disabled and Vietnam era veterans.

Accordingly, we would appreciate your review of these data with a request that you take aggressive affirmative steps to improve your department's hiring of veterans using the VRA. Your early review and response would be appreciated.

Sincerely,

RONALD W. DRACH,
National Employment Director.

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[1] Source: OPM Civilian Personnel Data File [CPDF].

STATEMENT OF PAUL S. EGAN, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE COMMISSION, THE AMERICAN LEGION; AND JAMES G. BOURIE, DIRECTOR, NATIONAL ECONOMICS COMMISSION, THE AMERICAN LEGION

The American Legion thanks you for allowing us this time to present our views on the Veterans Readjustment Appointments (VRA), a special hiring program for Vietnam era veterans and VA education programs. Pertinent Resolutions adopted by The American Legion are attached, with the request that they be made part of the record.

The VRA is a special non-competitive government hiring program for Vietnam era veterans. It was established in 1970 as an Executive Order, then later codified at section 2014 of title 38, United States Code. And since 1970 it has been responsible for the hiring of between 180,000 and 200,000 Vietnam era veterans. The American Legion believes it is an excellent hiring program which provides to those qualified veterans a good opportunity to become permanent members of the federal workforce. This is especially significant during these times of unprecedented veterans unemployment and underemployment.

On April 7 of this year, The American Legion testified before this Subcommittee on federal hiring programs for veterans and identified what we felt were trouble spots in the VRA program: agency underutilization; poor program promotion—both at the agency level and in the related veteran community; low entry levels and high rate of involuntary separations. Dr. Devine also testified and reiterated OPM's full support of the VRA program and went on to list a variety of positive steps which OPM was taking to better promote the program. And we have indeed seen a greater awareness and utilization of the Veterans Readjustment Appointments (VRA) by federal agencies despite stiff personnel ceilings and budget restrictions imposed on many agencies. We fully support OPM's initiatives in promoting the VRA and believe that through continued training conferences, bulletins, and the like, more agencies will indeed take advantage of the program.

Nonetheless, Mr. Chairman, OPM can only do so much, as the VRA by law, is not mandatory. Therefore, there must be several favorable factors evident before an agency embraces the VRA: personnel ceilings, budget, and most of all, a commitment to the program by agency heads and managers. These are not always evident, making for a most uneven program. We also have a stong suspicion that the program still has high turnovers, conversions to less than the maximum GS 7 level and lack of public information and outreach. Yet in the face of these and other impediments, the VRA remains at approximately 5 percent of total new federal hires, which shows us that while total federal hiring has fallen, at least the VRA hires have remained somewhat constant.

For the period October 81 through March 82, approximately 7,400 Vietnam era veterans were hired under the VRA out of 149,300 total new federal hires for the same period. Women accounted for 700 of that 7,400 figure, minorities represented 2,600; and 900 were disabled veterans. It is our understanding that new VRA figures subsequent to March 82 also reflect a five percent hiring rate. But what is indeed noteworthy is which agencies are, in fact, doing the VRA hiring. During the reporting period, the Department of Labor, with its offices of Assistant Secretary of Veterans Employment and Training Service, had only two VRA appointments out of 209 new hires. Likewise with OPM whose percentage of VRA appointments are too small to be recorded. However, the lion's share of appointments went to the Department of Defense and VA who, when combined, made over 7,000 VRA appointments, and The American Legion commends both these agencies for their aggressive VRA hiring efforts and urges both the DoL and OPM to intensify their own use of the VRA authority.

Mr. Chairman, the Veterans Readjustment Appointments (VRA) has its problems like any other federal hiring program, but we believe OPM is making a sincere and honest effort to fully promote the program—for both veterans and agencies alike.

But as we look at the VRA, we feel strongly that certain amendments are in order. Foremost, we strongly urge reauthorization to September of 1987 as it will not terminate in September of 1984. We also recommend that the current GS 7 level ceiling be raised to a GS 9 conversion level thus opening up more midlevel career opportunities for Vietnam era veterans. Further, we suggest dropping altogether the 14 year schooling limitation governing eligibility. Deleting the educational criteria while increasing the conversion level to GS 9, in our estimation, will make the VRA more attractive to veterans; provide greater career opportunties; attract a higher educated veteran to federal service and provide the agency with a higher caliber VRA candidate. The American Legion would also recommend to OPM that once a verteran is converted from the VRA to the regular workforce, that he trial time spent in VRA training be credited towards total civil service for purposes of pay, retention, seniority and other personnel matters.

Finally, Mr. Chairman, OPM needs to develop a system to identify which agencies, and where, are utilizing the VRA program. This information can then be shared with the Regional Veterans Federal Employment Representatives, Veterans Employment Training Service of the DoL and the veterans organizations to promote a concerted public information and outreach effort.

The American Legion is in full support of the VRA authority and believes it should be extended beyond 1984. We also support OPM's commitment to the VRA and other veteran hiring programs and pledge our continued cooperation to ensure that this, and other federal veterans programs, are fully implemented.

Mr. Chairman, The American Legion has additional concerns about certain Veterans Administration education programs that we would like to bring to your attention at this time.

Public Law 96-466, approved October 17, 1980, improved benefits under chapters 31, 34, 35 and 36 of the title. This was substantial legislation, and overdue in passing. However, the two-step, 10 percent increase included in the law that provided a 5 percent increase effective January 1, 1981, was the last increase received by beneficiaries of these GI Bill programs.

What The American Legion feels is needed now is that legislation be developed on a timely basis to make these education and training program responsive to continuing inflationary pressures. The Delegates to our 1982 National Convention approved Resolution No. 130 calling for increases in the amounts payable under Chapter 34 by an amount equal to advances in the Consumer Price Index since January 1, 1981.

The rate of inflation subsequent to the last increase in education benefits has been exhorbitant, thus the education payments have not kept pace with concurrent increases in the costs of tuition, books and other educational supplies. We fear that veterans are being forced to drop out of their training programs and therefore they

are not able to achieve their educational goals. This defeats the basic purpose of the program.

The American Legion urges the Committee to give careful consideration to legislation that would provide a substantial increase in benefits payable under Chapters 31, 34, 35 and 36.

The other concerns of the American Legion pertain to the vocational rehabilitation program provided under Chapter 31 of the title. The purpose of the vocational rehabilitation program, in part, is to improve and enhance the employability of disabled veterans and to assist them in obtaining and maintaining suitable employment consistent with their specific interests, aptitudes and skills.

The Legion feels that determinations as to the need for vocational rehabilitation should not be unnecessarily restrictive. We are concerned over the apparent efforts by VA to curtail the number of veterans that are being accepted in the vocational rehabilitation programs. In addition, it has been brought to our attention that the criteria used to determine at what point a veteran is adequately rehabilitated and thus terminated from the vocational rehabilitation program is, in many cases, being interpreted in an unduly restrictive manner.

In that respect, reports from our Department Service Officers and other Legionnaires reflect that the Veterans Administration is in some cases terminating certain veterans from training under Chapter 31 if they are as much as minimally employed, regardless of the ultimate goal of their specific training programs. This, in the American Legion's opinion, is not in keeping with the aforestated purposes of the vocational rehabilitation program. The Legion firmly believes that the Veterans Administration should place a great deal of emphasis on quality rehabilitation of service-connected disabled veterans rather than on how best to effect cost savings.

As a result of this organization's concerns, the Delegates to our recent 1983 National Convention approved Resolutions No. 329 (Colorado) which mandates the American Legion to urge the Veterans Administration to revise its policies and regulations so as to grant vocational rehabilitation to veterans if their service-connected disabilities prohibit them from becoming employed in occupations consistent with their aptitudes, interests and achievement potential. We have attached herewith a copy of Resolution No. 329 for the information of the Subcommittee.

Mr. Chairman, that concludes our statement.

SIXTY-FIFTH ANNUAL NATIONAL CONVENTION OF THE AMERICAN LEGION, AUGUST 19–25, 1983, SEATTLE, WASH.

RESOLUTION NO. 29

Committee: Economics.
Subject: Support veterans preference in Federal employment.

Whereas, A grateful Nation has, following each war, indicated its thanks to those who bore the battle by providing certain rights and benefits, one of which has been a small advantage when seeking federal employment and in retention of that employment; and

Whereas, Absence from the highly competitive job market due to military service creates an unfair and unequal burden on veterans in competing with their nonveteran peers upon completion of military service, which this preference in federal employment is intended to partly overcome; now therefore be it

Resolve, By The American Legion in National Convention assembled in Seattle, Washington, August 23, 24, 25, 1983, that The American Legion strongly support veterans preference in federal employment as provided by a grateful Nation, and oppose any efforts to reduce this preference.

RESOLUTION NO. 243

Committee: Economics.
Subject: Sponsor and support legislation to extend the veterans readjustment appointments [VRA] program.

Whereas, The Veterans Readjustment Appointments (VRA) is a special hiring program in the federal government for veterans of the Vietnam era; and

Whereas, The VRA program was established by Executive Order in 1970 and was subsequently codified in 5 USC 2014 (PL 95-420); and

Whereas, Through the use of this authority nearly 200,000 Vietnam era veterans have been hired in the federal workforce; and

Whereas, Since its enactment Congress has provided program extensions, with the program currently due to terminate on September 30, 1984; and

Whereas, Such termination will have a profound negative effect on the federal hiring of Vietnam era veterans; now therefore be it

Resolved, By The American Legion in National Convention assembled in Seattle, Washington, August 23, 24, 25, 1983, to seek legislation that would extend the Veterans Readjustment Appointments (VRA) authority.

RESOLUTION NO. 411

Committee: Economics.

Subject: Promotion of the veterans readjustment appointments [VRA] authority by Federal agencies.

Whereas, The Veterans Readjustment Appointment (VRA) is a special hiring program in the federal government for veterans of the Vietnam era, established by Executive Order in 1970 and subsequently codified by PL 95-420 (5 USC 2014(b)(3)); and

Whereas, Through the use of this authority over 180,000 Vietnam era veterans have been hired by the federal government, with nearly 75 percent being converted to career appointment; and

Whereas, Since use of this authority is not mandatory, but discretionary with federal agencies, agencies have uneven hiring records, not being fully aware of the program and/or are resisteant to its use; now therefore be it

Resolved, By The American Legion in National Convention assembled in Seattle, Washington, August 23, 24, 25, 1983, that the U.S. Office of Personnel Management be urged to fully support and promote the use of the special hiring program for Vietnam era veterans, the Veterans Readjustment Appointments (VRA) by all federal agencies.

SIXTY-FOURTH ANNUAL NATIONAL CONVENTION OF THE AMERICAN LEGION, CHICAGO, ILL., AUG. 24, 25, 26, 1982

RESOLUTION NO. 130 (OHIO)

Committee: Veterans Affairs and Rehabilitation.

Subject: Sponsor and support legislation to increase allowances in education and training under Chapter 34, title 38, U.S.C.

Whereas,There are approximately 456,000 Vietnam Era veterans still training under Chapter 34 of title 38, United States Code; and

Whereas, the education allowances payable to these veterans were last increased by Public Law 96-466, effective January 1, 1981; and

Whereas, the rate of inflation subsequent to the last increase has run rampant, thus the education benefits payable under Chapter 34 have not kept pace with increases in the cost of living as measured by the Consumer Price Index, and concurrent increases in the costs of tuition, books and other educational supplies; and

Whereas, without continued increases in these allowances it can be expected that a large majority of those veterans now engaged in programs of education or training will have to forego or modify their plans to pursue programs of higher education; and

Whereas, The American Legion is quite concerned about the continuing economic and readjustment problems, and tne unemployment of the Vietnam Era veteran, and realizes that the aim and purpose of education and training programs is to provide such veterans with the career development needed to enter the employment field in competition with those individuals who did not serve in the Armed Forces; now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Chicago, Illinois, August 24, 25, 26, 1982, that The American Legion sponsor and support legislation in the Congress of the United States to amend Chapter 34 of title 38, United States Code, so as to increase the amounts payable under this chapter by an amount equal to increases in the Consumer Price Index since January 1, 1981.

Approved with amendment.

SIXTY-FIFTH ANNUAL NATIONAL CONVENTION OF THE AMERICAN LEGION, SEATTLE, WASH., AUG. 23, 24, 25, 1983

RESOLUTION NO. 329 (COLORADO)

Committee: Veterans Affairs and Rehabilitation.
Subject: Urges the Veterans Administration to revise its policies and regulations so as to grant Vocational Rehabilitation to veterans if their service-connected disabilities prevent meaningful or gainful employment.

Whereas, the VA Vocational Rehabilitation program for veterans with service-connected disabilities is one of the VA's most successful enterprises; and

Whereas, the Vocational Rehabilitation program has enabled hundreds of thousands of disabled veterans to overcome their handicaps and make meaningful vocational contributions to America; and

Whereas, such service-connected disabilities often prevent veterans from working at their full capacity and enjoying life to the fullest; and

Whereas, the VA currently tends to deny Vocational Rehabilitation to veterans who are working even if their vocational opportunities are restricted by their disabilities; now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Seattle, Washington, August 23, 24, 25, 1983, that The American Legion urge the VA to revise its policies to award vocational rehabilitation to veterans if their service-connected disabilities prohibit them from becoming employed in occupations consistent with their aptitudes, interests and achievement potential.

DISABLED AMERICAN VETERANS,
Washington, D.C., October 5, 1983.

Hon. MARVIN LEATH,
Chairman, Subcommittee on Education, Training, and Employment, Washington, D.C.

DEAR CHAIRMAN LEATH: As you are well aware, during the recent hearings on the Veterans Readjustment Appointing (VRA) Authority, several questions were raised regarding the high participation rate of defense agencies.

While several speculative answers are available, we believe that perhaps the attached memorandum issued by former Deputy Secretary of Defense Frank C. Carlucci may have had something to do with the ongoing success of that Authority within defense agencies.

Perhaps other heads of departments and agencies such as HHS and Department of Labor could issue similar memoranda to their hiring authorities with the emphasis on VRA.

We respectfully request that this be entered into the hearing record of September 29, 1983 with your concurrence.

Thank you for your anticipated usual cooperation.

Sincerely,

RONALD W. DRACH,
National Employment Director.

THE SECRETARY OF DEFENSE, WASHINGTON, D.C. NOVEMBER 5, 1982

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS DIRECTORS OF THE DEFENSE AGENCIES DEPUTY ASSISTANT SECRETARY OF DEFENSE (ADMINISTRATION)

Subject: Employment of the Vietam Veteran.

The efforts to place Vietnam veterans into positions in the in-house Defense civilian workforce and with companies doing business with this Department deserve our full support and active participation.

President Reagan has pledged the active participation of all Federal departments to place veterans of the Vietnam conflict. In his words, "Recognition and appreciation for all they went through is long overdue."

I know that as a Department, the installations and activities are placing into civilian vacancies some 11,000 veterans per year under the veterans readjustment appointing authority. More needs to be done. Accordingly, I urge you to give this effort

your personal support to asure the full measure of assistance is made available to place the Vietnam veteran.

FRANK C. CARLUCCI,
Deputy Secretary of Defense.

U.S. OFFICE OF PERSONNEL MANAGEMENT,
Washington, D.C. February 22, 1983.

Mr. JAMES G. BOURIE,
Director for Economics,
The American Legion,
Washington, D.C.

DEAR MR. BOURIE: In your June 29 letter to me, you asked what role Agency Compliance and Evaluation (ACE) plays in monitoring and evaluating the various veterans employment programs. Before describing what ACE does, I would like to comment from the Office of Personnel Management's perspective.

As you correctly observed, OPM is required by law and regulation to implement and monitor programs relating to veterans readjustment appointments, the employment of veterans who are 30 percent or more disabled and the Disabled Veterans Affirmative Action Program. Director Devine is a strong supporter of these programs, as you know, and I can assure you that OPM's program managers take their responsibilities under these programs seriously. As evidence of the significance we place on these responsibilities, veterans employment programs are managed by their own program office in OPM, the Veterans Employment Program Division of the Office of Affirmative Employment Programs (AEP). My staff has coordinated this letter with that office.

While ACE's periodic evaluation role is separate from the ongoing role of AEP, we became quite active in looking at agency uses of these programs during fiscal year 1982 and plan to again look at the appointment programs as part of a wider study in the second quarter of 1984. I am enclosing copies of materials indicative of our recent evaluation coverage, the operations letter which outlined OPM's personnel management evaluation program, instructions on program coverage to OPM's regional evaluators, and a copy of the Defense Logistics Agency (DLA) report, containing our agency-wide findings. These activities were in addition, of course, to the activities Arch S. Ramsay, Associate Director for the Compliance and Investigations Group, described to you in September 1982.

ACE's planned 1984 activities will be somewhat different than our 1982 activity. At Director Devine's instigation, OPM's evaluation program has been fundamentally reoriented. Agency-level evaluations like DLA, for instance, will be conducted no longer. Instead of concentrating on specific agencies, OPM's evaluators will probe Government-wide personnel issues, like position management and classification, performance management, and staffing and the appointment system. As part of our study of the complexities of the Federal appointment system, we will again look at the use of veterans appointment authorities. In addition, base line statistical data will be gathered on a continuous basis from a predetermined number of Federal installations each fiscal year. Part of that data gathering will also address veterans programs.

An outgrowth of our transition to the new evaluation concept has been the postponement of our project to revise OPM's evaluation handbook, which has affected the issuance of the quide on veterans programs to which you referred. I have been assured by Mr. Gerald K. Hinch, Assistant Director for Affirmative Employment Programs, that his office will assume the responsibility for developing guidance for evaluating veterans employment programs during fiscal year 1984. He has further assured me that he will coordinate the guidance development with my staff so that all possible expertise can be brought to bear in producing a valid and reliable product.

We appreciate the American Legion's continued interest in OPM's management of veterans employment progams. Veterans are a vital national asset and how the Federal Government employs them is an important concern of all of us. OPM sets the standards by which Federal agencies establish and operate their veterans employment programs. Your vigorous support makes it easier for OPM to alert the

Government's managers and supervisors to the wealth of skills and talents available to them through agency veterans employment programs.

Sincerely,

ANTHONY F. INGRASSIA,
Assistant Director,
Agency Compliance and Evaluation.

THE AMERICAN LEGION,
Washington, D.C., June 29, 1983.

Mr. TONY INGRASSIA,
Director, Agency for Compliance and Evaluation, Office of Personnel Management, Washington, D.C.

DEAR MR. INGRASSIA: The American Legion wishes to respectfully bring to your attention a matter which has been without a positive response since 1981 regarding ACE's role in monitoring veteran programs. Pertinent correspondence is attached for your review.

Essentially, we wish to know what role ACE will play in monitoring and evaluating the Disabled Veterans Affirmative Action Program, VRA and 30 percent special hiring programs for veterans. We also made specific recommendations on how, and to what extent, ACE should be involved. Our last correspondence was from Mr. Arch Ramsay, Associate Director, Compliance and Investigations Group, stating that (a) the CPDF has been programmed to provide the Veterans Program Office with timely VRA and 30 percent program figures and (b) personnel management evaluators will use this information also in their "Evaluation Guide for Affirmative Employment Programs" to be published in fiscal year 1983.

It is our understanding that no such Guide is available to field evaluators, and we have no idea how, and in what form, guidelines on the DVAAP, VRA and 30 percent programs are provided to evaluators and whether or not our specific concerns have been addressed.

By law and regulation, OPM is to implement and monitor certain veterans hiring programs and this responsibility falls to ACE. This is an important responsibility which is not lost on The American Legion, and we are also concerned that ACE may not have sufficient funds and staff to implement an effective agency evaluation system and, as a consequence, budget and staff reductions will have a negative effect on OPM's veteran program of which Mr. Devine has been a strong supporter.

To conclude, we would like to know if the Guide is forthcoming and how are the DVAAP, VRA and 30 percent programs addressed as regard implementing, monitoring and evaluation?

Sincerely,

JAMES G. BOURIE,
Director for Economics.

[U.S. Government Memorandum]

OFFICE OF PERSONNEL MANAGEMENT.

Subject: Input for an American Legion's letter.
From: Arch S. Ramsay, Associate Director, Compliance and Investigations Group.
To: A. Diane Graham, Assistant Director for Affirmative Employment Programs.

We have reviewed Mr. Bourie's letter to Michael Frost and offer the following paragraphs for your consideration. Please feel free to change the language to conform with the content of your letter to Mr. Bourie.

Your letter of September 1, 1982, to Mr. Frost concerning the monitoring of VRA and 30 percent special hiring programs has been referred to me for reply. I have discussed your concerns with several OPM officials, including our Assistant Director for Workforce Information, responsible for CPDF, and Acting Assistant Director for Agency Compliance and Evaluation. I think you will be pleased to learn that your concerns are currently being addressed by OPM in several ways.

Our Assistant Director for Workforce Information has informed me that the CPDF data on VRA and 30 percent program hires are available within 60 to 90 days and can be used for program monitoring purposes. OPM personnel management evaluators will receive guidance concerning the use of this information as part of Agency Compliance and Evaluation's "Evaluation Guide for Affirmative Employment Programs," to be published in fiscal year 1983. CPDF data on VRA hires is being furnished to the Veterans Program Office each quarter and reports on 30 per-

cent disabled veteran hires by agency are being furnished to the Veterans Program Office semiannually. Should more frequent reports become necessary, the Assistant Director for Workforce Information has agreed to furnish them on a monthly basis.

Agency Compliance and Evaluation is currently receiving suggestions and information from various offices for the development of their Evaluation Guide for Affirmative Employment Programs. They were pleased to receive your suggested evaluation questions for the VRA and 30 percent programs and they will address your concerns in the development of the guide.

The Evaluation Guide for Affirmative Employment Programs will become a part of OPM's Handbook for Personnel Management Evaluators, which is the official guidance for all OPM personnel management evaluators. The Handbook is used by evaluators when there are indicators of problems in any of the programs covered by the Handbook. Additionally, the Handbook is used by many other Federal agencies as guidance in their internal personnel management evaluation programs. The Guide will be published in fiscal year 1983.

If you have questions concerning our input, please contact Mike Harris at x24475.

THE AMERICAN LEGION,
Washington, D.C. September 1, 1982.

Mr. MICHAEL FROST,
Director, Workforce Effectiveness and Development Group, U.S. Office of Personnel Management, Washington, D.C.

DEAR MIKE: On July 17, 1981, I wrote then-Special Assistant to the Director, Vince DeCain, regarding the Agency Compliance and Evaluation (ACE) monitoring both the VRA and 30 percent special hiring program for veterans; these thoughts are again attached. I did not receive a response to that letter.

I believe that during the month of June 1982, I onve again made an inquiry regarding the July letter; again, no response. During the meeting with Director Devine on July 14 as part of the PCEH-CODV, I again raised the issue of ACE relative to the VRA and 30 percent program, with a noncommittal response.

Frankly, I would like to know if, indeed, ACE will play a role in veteran affairs for fiscal '83? Will both veteran hiring programs, as well as the veterans affirmative action program, be monitored by ACE?

Your early reply will be appreciated.

Sincerely yours,

JAMES G. BOURIE,
Director for Economics.

PREFACE

The American Legion has fully supported both the VRA and 30 percent non-competitive hiring programs. However, in the past, the two programs were never given the prominence and attention they rightfully deserve. Veterans, especially VEV and disabled veterans, were not part of the past Administration's hiring "scheme"; the emphasis was on other groups and the political expedience of the moment. Consequently, federal agencies in general and federal managers in particular correctly interpreted their "signals" and did not promote nor utilize the programs fully; past performance figures bear this contention out.

VRA

The VRA hiring program is codified in title 38 USC, Section 2014. This program allows an eligible VEV to be hired under a non-competitive authority and, after a training/educational period, be transferred to the competitive service with a grade designation up to GS-7 level.

Of the nearly 800,000 new federal hires for fiscal 1980, VRA hires were 2.5 percent or 21,000 (Summary of Selected Veteran Hiring Information, FY '80, issued by OPM June 16, 1981); with 11 Executive Departments and 20 Independent Agencies utilizing the program. Of the Executive Departments, program utilization ranged from 13 by DOL and 17 by HUD, to the Army's 4,623. Nonetheless, the agency which consistently has shown greatest program use is the VA with 7,147 VRA hires. Thus, the best utilization is by agencies that are military oriented; the remainder of the agencies have records that are "spotty" at best.

As stated, the program may transfer candidates up to and include a GS-7 level. However, the vast majority are in the GS 1, 2 or 3 level. These positions are often

"dead end" and lead to high voluntary terminations without any apparent efforts to correct this management failure.

30-PERCENT DISABLED

The 30 percent disabled program is codified in title 5 USC, Section 3112 and, allows a disabled veteran to transfer to the competitive service. However, unlike the VRA, there is no limit on the conversion GS level. If qualified, a 30 percent disabled veteran may be converted beyond a GS–7 level.

The 30 percent program has provided The American Legion with the biggest disappointment of all as not only have past program figures been appalling, but unemployment figures for disabled veterans run anywhere from 20–30 percent.

For the period 10/79 thru 3/80, only 213 appointments were made by five agencies. Again, the VA made the most with 149 appointments; with the Army and Navy making 51 and 3 appointments respectively. Thus, military oriented agencies accounted for 95 percent of all appointments.

Yet of all the hires, "most appointments were to low level jobs, over 80 percent of the GS hires were to grades 5 and under, over half of the WG hires (60 percent) were to grade WG–1." (Veterans Readjustment Appointments In the Federal Government, report to the Senate Veterans Affairs Committee, March 17, 1981.)

IDENTIFIED PROBLEMS

Besides being totally underutilized; not fully promoted; low level grades; high voluntary turnovers, The American Legion maintains that agencies conduct no outreach and/or promotion of the programs. Applying individuals must know of the programs as respective agencies will not, of their own volition, fully inform an applicant of the programs. Or the advice will be misleading or negative as to discourage the applicant. Moreover, agencies will not offer helpful information as regard the programs in light of other agencies which may be utilizing the programs. In other words, if the applicant does not know of the programs, he/she cannot depend on the agencies for outreach and program utilization.

AGENCY FOR COMPLIANCE AND EVALUATION (ACE)

There is no present mechanism by which the OPM can monitor, evaluate and correct agency compliance with the VRA and 30 percent programs, as an ongoing administrative process.

Agency program responsibilities are vested in either the EEO or staffing services depending upon organizational structure. Personnel designated to coordinate VRA and 30 percent programs, for the most part, are not familiar with the programs; provide little/no outreach; have no effective "links" to the veterans community or other federal agencies dealing with veterans, like the Veterans Employment Service, and give veterans low priority.

When a candidate is successful in getting into one of the programs, the program is coded on the applicant's SF50. One reporting path leads to the agency headquarters, with a second path to OPM's CDPF. There, the information is stored until extracted for various internal or statutory reports. However there exists a 3 to 6 month delay in feeding accurate information into the system and ultimate withdrawal. Thus, program figures are invariably inaccurate, and misleading.

Importantly, there is no corrective mechanism which can be utilized by OPM. It is only after all reports are in and evaluated can OPM gauge agency program utilization. Consequently, it is OPM which is cast in an unfavorable light and not the respective agencies. What is needed by OPM is an ongoing agency by agency program evaluation that would not only track the programs utilization, but would also quickly identify problem areas and provide the basis for corrective action between OPM and the agency.

The American Legion believes this administrative mechanism is already in place with ACE. They are presently charged with agency program compliance and evaluation and make regularly scheduled field inspections to agencies to evaluate other programs.

There is no doubt that part of their program evaluations can include both the VRA and 30 percent programs with a minimum of administrative burden. The ACE representative should make contact with the agency individual who has responsibility for the VRA and 30 percent programs and utilization a questionnaire, or other set criteria, request program figures for the ACE reporting period. Moreover, question criteria concerning both programs should be a mandatory criteria for all ACE inspections.

The following questions should be made part of ACE evaluation:

What type of guidance does the agency receive from OPM?

Is the agency familiar with the law and regulations regarding the VRA and 30 percent programs?

Has higher authority issued instructions regarding the programs; if so, what are they?

How has the agency made known the programs (contact with: personnel specialists, managers, supervisors, EEO, ect.)?

Has the agency issued policy statement in support of both programs?

Are programs covered in supervisory/management training sessions?

How many appoin‘ments have been made in each program; grade/WG level; career progression; turnover (involuntary/voluntary elimination)?

Are VRA training agreement being effected; i.e. "adequate"?

Does agency monitor VRA program; if so, how?

Does agency promote plan for upward mobility; if not, why?

Does the agency have effective links with the veterans community; DOL, VES; local ES offices; VA?

As regard the 30 percent program, has the VA/VES made contact with the agency?

At the conclusion of the visit, the ACE evaluator and agency management should conduct at "close-out" session to discuss the findings. A copy of the report will follow established agency reporting paths, with a copy to ACE headquarters. The ACE headquarters report will be reviewed by both ACE management and the Federal Veterans Employment Program Chief to identify program problems and agencies.

The biggest problem will be corrective action. The Veterans Program does not enjoy the unilateral authority to take corrective action against federal agencies. Their function is to guide and advise federal agencies regarding veterans programs. Also, both the VRA and 30 percent programs are not mandatory on federal agencies but a matter of Congressional intent.

Therefore, corrective action must come from a higher authority. However, before corrective action is necessary, the Veterans Program Director and, if required, ACE should first work with the agencies in cooperative agreement in an attempt to cure any program deficiencies identified in the ACE report. It is recommended that only after all cooperative efforts have failed, then the matter be submitted to an authority which does, in fact, have the ability to correct the problem. It would serve no purpose to have the matter submitted to another management level, which, in turn, must report and/or be responsible to yet other levels of management.

CONCLUSION

With the implementation of regular ACE field surveys regarding both the VRA and 30 percent programs, it is felt that it will not only underscore OPM's commitment to the programs and signal to federal managers that the programs should be more fully utilized, but, importantly, problem areas and agencies will be readily identified and remedial action instituted.

The American Legion is very committed to both these programs and feels they have been severely underutilized by agencies for a multitude of reasons. Therefore, we strongly endorse the proposal which places responsibility to gauge these programs, as an on-going administrative process, with ACE.

STATEMENT ON BEHALF OF THE AMERICAN ASSOCIATION OF STATE COLLEGES AND UNIVERSITIES

This testimony is also supported by the American Association of Community and Junior Colleges and the National Association of State Universities and Land-Grant Colleges.

The American Association of State Colleges and Universities (AASCU) is pleased to comment on the adequacy of the current benefits paid to veterans of the Vietnam Era who are still eligible for educational benefits.

There can be no question that the current benefit level—$342 per month for an unmarried veteran attending full-time—is too low. Recent data from the College Scholarship Service (CSS) makes this abundantly clear. For 1983-84, the CSS predicts the following average costs: Private four-year college, $8,440; Public four-year college, $4,721; Public two-year college, $3,868.

Every year costs to students—both tuition and living costs—continue to rise at a rapid rate. It is estimated that public four-year colleges will average $6,600 in 1990,

and private four-year colleges, $12,000. The $342 per month payment provides only about $3,000 for a nine-month academic year.

We have been asked to comment on whether "recent reductions in federal assistance programs" affect this situation. Unfortunately, they do. The American Council on Education (ACE) has recently estimated that the reduction in federal student aid, measured in constant dollars, means that about 23 percent less aid is available in fiscal year 1983 than in fiscal year 1980. There has been a loss of about $480 million a year in Pell grants and comparable losses in other programs. At the same time, the increase in college costs as well as the national recession has made it more difficult for many students to attend college.

Veterans, of course, have special problems. Most today are married, many have children, and many work part-time or full-time while attending college. While they are allowed somewhat higher G.I. benefits because of their families, their expenses are much greater. They, too, are in need of an increase in their benefits. We believe the law should also be amended so there is no delimiting date so veterans can use their benefits at any time.

AASCU has testified previously at some length on the desirability of a peacetime G.I. Bill, and has accepted H.R. 1400 of 1983 as a good general model. It is our belief that if the military is to keep obtaining adequate quality personnel after the current recession is over, a G.I. Bill is highly desirable.

A bill such as H.R. 1400 has several desirable features: a basic benefit for three years active duty, a supplemental benefit for an additional three years, special benefits to recruit certain skills, and so on. We also like the bill's features, providing for transferability of benefits to spouse or children after ten years active duty, and the provision allowing educational leaves from the military under certain circumstances.

All of these features were studied at length by this Committee, with hearings in many parts of the United States, and we believe H.R. 1400 to be the basis for a good bill. We hope the Committee will consider it further along with whatever changes may be made in the current veterans benefits.

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